



We are CalPERS

Comprehensive Annual Financial Report
Year Ended June 30, 2006



California Public Employees' Retirement System
A Component Unit of the State of California

Table of Contents

Comprehensive Annual Financial Report
California Public Employees' Retirement System
Year Ended June 30, 2006
Fred Buenrostro, Chief Executive Officer



Introductory Section

Chief Executive Officer's Letter of Transmittal	2
CalPERS Organizational Chart	6

Financial Section

Report of Independent Accountants	8
-----------------------------------	---

Management's Discussion & Analysis	10
---	-----------

Basic Financial Statements

Statement of Fiduciary Net Assets	30
Statement of Changes in Fiduciary Net Assets	32
Statement of Changes in Assets & Liabilities — Agency Funds	33
Statement of Net Assets — Proprietary Funds	34
Statement of Revenues, Expenses & Changes in Fund Net Assets — Proprietary Funds	35
Statement of Cash Flows — Proprietary Funds	36
Notes to the Basic Financial Statements	37

Required Supplemental Schedules

Required Supplemental Schedule of Funding Progress	58
Required Supplemental Schedule of Employer Contributions	60
Notes to Required Supplemental Schedules	62
Required Supplemental Schedule of Claims Development Information	63

Supporting Schedules

Administrative Expenses — All Funds	68
Investment Expenses	69
Consultant & Professional Services Expenses — PERF	72

Investment Section

Chief Investment Officer's Letter	76
Summary of Investments — PERF	77
Investment Performance — PERF	78
CalPERS Asset Allocations — PERF	79
Portfolio of California Investments at Market Value — PERF	80
Largest Stock & Bond Holdings at Market Value — PERF	81
Schedule of Commissions & Fees — PERF	82
Schedule of Fees & Costs for Private Equity Partners — PERF	85
Schedule of Fees & Costs for Absolute Return Strategies Program — PERF	87
Investment Performance — JRF II	88
Investment Performance — LRF	89
Investment Performance — VFF	90

Table of Contents (continued)

Actuarial Section — Based on Actuarial Valuations as of June 30, 2005

CalPERS Actuarial Certification	92
CalPERS Actuarial Methods & Assumptions	93
Changes Since Prior Valuation	96
Summary of Funding Progress	97
Exhibit A - Funding Progress — Unfunded Liability & Funded Ratios	98
Exhibit B - Funding Progress — Solvency Test	100
Exhibit C - Sample Pay Increase Assumptions for Individual Members	103
Exhibit D - Sample Non-Economic Assumptions	105
Exhibit E - Single Life Retirement Values	114
Exhibit F - History of Member Salary Data	114
Exhibit G - Members in Valuation	115
Exhibit H - Schedule of Retirees & Beneficiaries Added to & Removed from Rolls	120
Actuarial Certifications — Other Systems	121

Statistical Section

Retirement Programs

Expenses by Type — Retirement Programs	124
Revenues by Source — Retirement Programs	126
Changes in Net Assets — Retirement Programs	128
Membership & Retirement Data — Retirement Programs	130
CalPERS Program Data	132
CalPERS Public Agency Employers	140
Judges' Retirement System Program Data	155
Judges' Retirement System II Program Data	158
Legislators' Retirement System Program Data	161
Volunteer Firefighters' Length of Service Award System Program Data	165

Other Programs

Expenses & Revenues — Enterprise Funds	168
Health Benefits Program Data	170
Deferred Compensation Program Data	181
Long-Term Care Program Data	182

Certificate of Achievement for Excellence in Financial Reporting

Presented to

California

Public Employees' Retirement
System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Enos

Executive Director



Public Pension Coordinating Council
Public Pension Standards
2005 Award

Presented to

California Public Employees' Retirement System

In recognition of meeting professional standards for
plan design and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script, reading "Alan H. Winkler".

Alan H. Winkler
Program Administrator



Public Pension Coordinating Council
Public Pension Standards
2006 Award

Presented to

**California Public Employees' Retirement System
(CalPERS)**

In recognition of meeting professional standards for
plan design and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

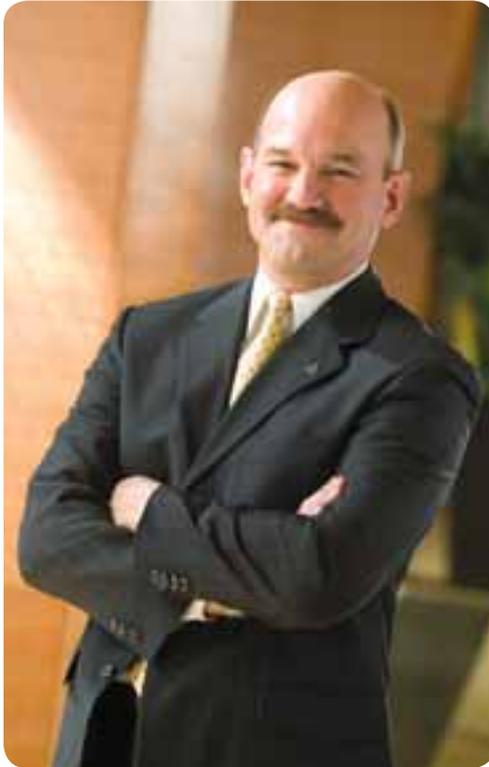
National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script, reading "Alan H. Winkler".

Alan H. Winkler
Program Administrator

Introductory Section

We exercise global leadership to ensure the sustainability of our pension and health benefit systems.



Fred Buenrostro
Chief Executive Officer

December 20, 2006

Members of the CalPERS Board of Administration:

I am pleased to present the CalPERS Comprehensive Annual Financial Report (CAFR) and accompanying Operations Summary for the year ended June 30, 2006.

Fiscal year 2005-06 was a year of progress for our organization. In November 2005, we reached a milestone of \$200 billion in assets. This remarkable achievement reflects our diversified investment strategy and the diligence of our investment staff.

Our sound investment strategy resulted in an 11.8 percent return for the fiscal year, making this the third consecutive year of double-digit returns. We enhanced returns through prudent investment selection and value-adding activities, while mitigating risk through diversification and thoughtful risk management. We continued to seek investments that reflect our commitment to environmental stewardship and the needs of future generations. In our ongoing efforts to promote responsible corporate governance, we pursued formal executive compensation policies that are subject to shareowner approval and greater corporate transparency regarding environmental threats. We are pleased that some corporations are recognizing that our involvement can help strengthen companies in ways that create long-term value for shareowners.

During the fiscal year, we revised our Strategic Plan, which centers on 12 goals that guide us in serving nearly 1.5 million members and almost 2,600 public employers. At the heart of the plan is our commitment to maintaining high-quality customer service, ensuring the security of pension benefits, providing the best value in health benefits, and managing our investment portfolio well.

As outlined in our Strategic Plan, we believe diversity is a fundamental business issue. Diversity in investing enables

CEO Letter of Transmittal (continued)

us to leverage the unique talents of every investment partner and to obtain good returns. And while we will seek diversity, every investment must stand on its own merits. As part of our commitment to diversity, we partnered with the California State Teachers' Retirement System to hold a Diversity Investment Conference. Nearly 600 individuals representing investment-related organizations joined us to explore best practices and learn about increasing investment opportunities through diversity.

In managing our health benefits program, we have executed a variety of strategic initiatives designed to make every health care dollar count, and our efforts are seeing results. In February 2006, the Legislative Analyst's Office credited us with saving up to \$168 million since 2002. We will continue to pursue transparency about the true costs of health care to ensure that our members receive the best value for their health care dollars.

Public employers will face significant challenges as a result of the new Governmental Accounting Standards Board requirements regarding accounting for retiree medical benefits. We are beginning to explore innovative ways to assist employers in meeting those requirements.

As the fiscal year began, the expansion of our headquarters was completed. Our three-building complex allows us to better serve members and provides room for future growth. On an operational level, our commitment to responsive customer service was demonstrated through enhancements to several of our service delivery processes. Our long-term plans to create a state-of-the-art information technology system advanced significantly this year. The centerpiece of that system is a Web-based, self-service oriented design that is cost-effective, efficient, and expandable. We responded effectively to changes in the guidelines governing disability retirement determinations, eliminating backlogs through an aggressive effort.

Our employees are our most valuable asset, and in response to employee input, we began to implement several initiatives to enhance employee satisfaction. The initiatives address open communication and employee engagement; growth and development; accountability for performance; and managing workload. I want to thank our employees for their teamwork and dedication to our core values, goals, and mission. Together, they are the finest workforce in the

State. I also want to thank the Board for their guidance and responsiveness.

I encourage you to review the information in this report. It provides information on all the programs administered by CalPERS: Public Employees' Retirement Fund (PERF), Legislators' Retirement Fund (LRF), Judges' Retirement Fund (JRF), Judges' Retirement Fund II (JRF II), Volunteer Firefighters' Length of Service Award Fund (VFF), State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), Health Care Fund (HCF), Contingency Reserve Fund (CRF), Old Age & Survivors' Insurance Revolving Fund (OASI), Replacement Benefit Fund (RBF), Supplemental Contributions Program Fund (SCPF), Long-Term Care Fund (LTCF), Deferred Compensation Fund (DCF), Public Agency Deferred Compensation Program (IRC 457), and the Special Deposit Fund (SDF).

Beginning in 1932, the System began providing services to State employees. In 1939, public agencies and school districts were allowed to contract with CalPERS to provide retirement benefits for their employees. While primarily responsible for administering retirement, death, and health benefits, CalPERS also administers supplemental retirement savings plans and long-term care insurance. As a service to members and employers, a variety of educational workshops and seminars are also offered.

Management Responsibility for Financial Reporting

The CalPERS financial statements included in this CAFR for the 2005-06 fiscal year have been prepared by System management, which is responsible for the integrity and fairness of the data presented, including the many amounts that out of necessity must be based on estimates and judgments. The accounting policies followed in preparation of these financial statements conform with accounting principles generally accepted in the United States. Financial information presented throughout this Annual Report is consistent with these financial statements.

CalPERS maintains a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. In addition, internal audit personnel provide a continuing review of the internal controls and operations of CalPERS, and the Chief of

CEO Letter of Transmittal (continued)

the Office of Audit Services regularly reports to the CalPERS Board of Administration's Finance Committee. The Committee reviews the audit findings and recommendations for improvements in internal control and operational efficiency and the actions of management to implement such recommendations.

Our independent external auditors, Deloitte & Touche LLP, have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America, performing such tests and other procedures as they deem necessary to express an opinion in their report to the Board. The external auditors also have full and unrestricted access to the Board to discuss their audit and related findings as to the integrity of the financial reporting and adequacy of internal control systems.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. This was the ninth consecutive year that CalPERS has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The Comprehensive Annual Financial Report

This report consists of five sections:

Introductory — contains this introduction letter and our organizational chart. Summary program information is

contained in the accompanying 2005-06 Comprehensive Annual Financial Report Operations Summary;

Financial — presents management's responsibility for financial reporting and the independent auditors' opinion on the CalPERS basic financial statements, management's discussion and analysis, and sections on required supplemental schedules and supporting schedules;

Investment — summarizes and presents performance information for the PERF, JRF, JRF II, LRF, and VFF;

Actuarial — contains the certifications and results of the actuarial valuations as of June 30, 2005, the latest data available;

Statistical — contains significant membership and retirement data for CalPERS, Judges' Retirement System, Judges' Retirement System II, Legislators' Retirement System, Volunteer Firefighters' Length of Service Award System, Health Benefits Program, Deferred Compensation Program, and Long-Term Care Program.

Accounting System & Reports

Management is responsible for establishing and maintaining an internal control structure designed to ensure that CalPERS assets are protected from loss, theft, or misuse, and income is equally distributed. Responsibility for the accuracy, completeness, and fair presentation of the information, and all disclosures, rests with CalPERS. The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The basic financial statements are presented in accordance with pronouncements of the Governmental Accounting Standards Board (GASB), including standards established by GASB Statement No. 25, Financial Reporting for Defined Benefit Plans; GASB Statement No. 26, Financial Reporting for Post Employment Health Care Plans Administered by Defined Benefit Plans; GASB Statement No. 34, Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments; and other GASB statements as appropriate.

CEO Letter of Transmittal (continued)

GASB Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The CalPERS MD&A can be found immediately following the report of the independent auditors.

Investments

Proper funding and healthy long-term investment returns are essential to the financial soundness of CalPERS. The ratio of investment earnings to total revenue during the last 10 years is evidence of the System's continued solid financial management.

Asset Allocation

An integral part of the overall investment policy is the strategic asset allocation policy. This is designed to provide an optimal mix of asset classes with return expectations that reflect expected liabilities. This emphasizes a maximum diversification of the portfolio that protects the fund from declines that a particular asset class may experience in a given period. Both traditional assets (cash, bonds, domestic stocks, domestic fixed income, and mortgages) and nontraditional assets (real estate, international stocks and fixed income, venture capital, timber investments, and leveraged buyouts) are incorporated into the mix.

Funding

The bottom line for a retirement system is its level of funding. If the funding level is adequate, the ratio of total accumulated assets to total liabilities will be larger and the need for contributions will be reduced. Also, an adequate funding level gives participants assurance that their pension benefits are secure.

The historical level of funding for the PERF is good. As of June 30, 2005, the PERF is 87.3 percent funded. The advantages of a well-funded plan are that participants can see assets that are irrevocably committed to the payment of promised benefits, and employees and taxpayers can

minimize their contributions in support of defined benefits. The Required Supplemental Schedules to the Basic Financial Statements and the Actuarial Section contain a summary of CalPERS unfunded actuarial accrued liabilities.

Investment returns are used to generate additional revenues and, ultimately, this allows CalPERS to reduce employer contribution rates, reducing pension costs to employers and taxpayers.

In Closing...

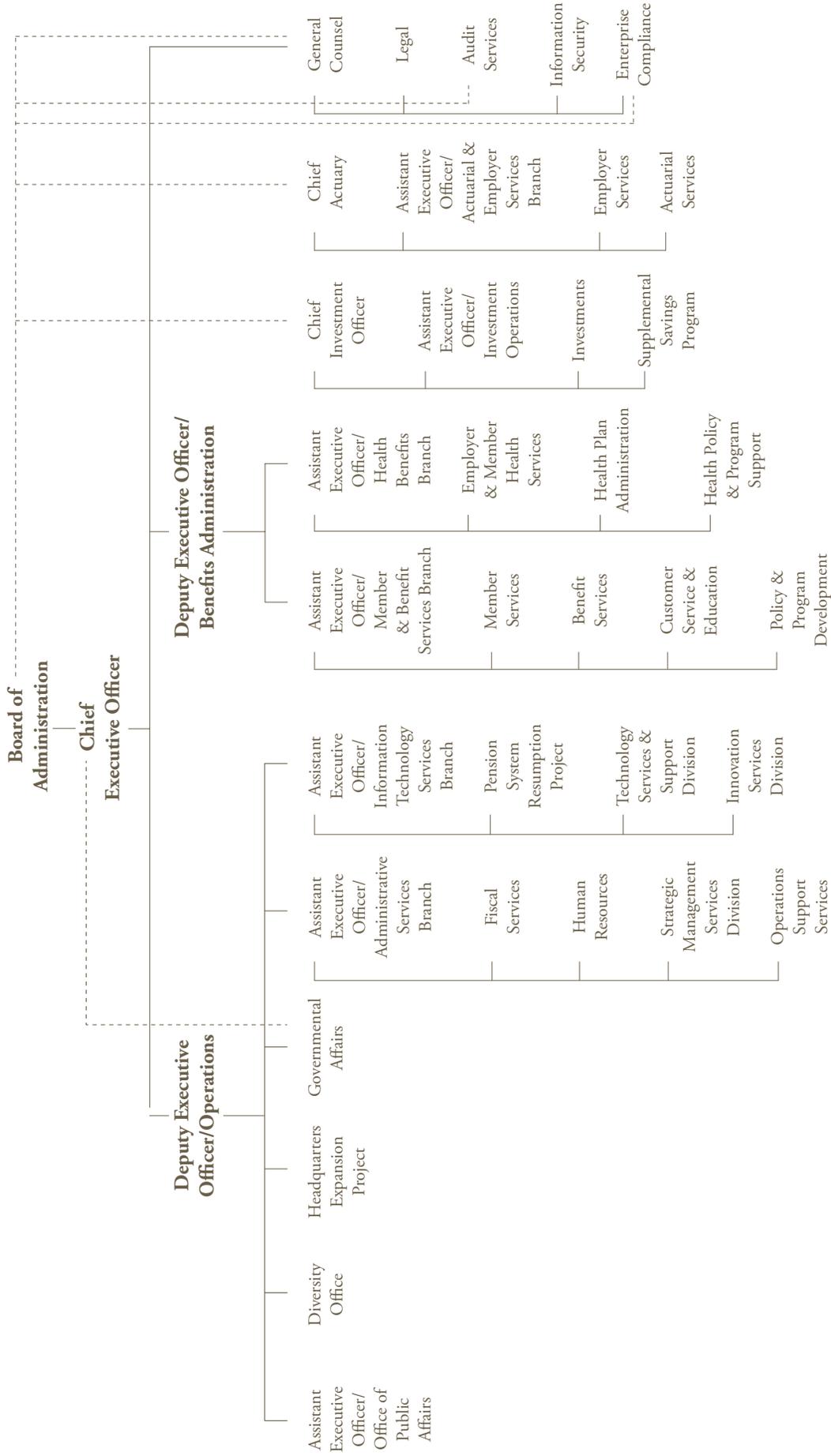
During the coming fiscal year, we will be celebrating our 75th anniversary. As we do so, I am encouraging our staff to envision ways that CalPERS can become an integrated full-service provider of financial and health-related products and services. We will continue to explore new programs and initiatives that will meet the changing needs of members and employers.

While efforts to replace defined benefit plans with defined contribution plans were less active during this fiscal year, the debate has not ended. CalPERS will remain vigilant. We will continue to serve as an educational resource on the advantages of defined benefit plans and oppose efforts to replace or water down such plans.



Fred Buenrostro
Chief Executive Officer

CalPERS Organizational Chart



Note: A list of investment professionals who have provided services to CalPERS can be found on page 82.

Financial Section

We administer pension benefit services in a customer-oriented and cost-effective manner.

Deloitte.

Deloitte & Touche LLP
Suite 400
2868 Prospect Park Drive
Rancho Cordova, California
95670-6065

Tel: (916) 288-3100
Fax: (916) 288-3131
www.deloitte.com

Independent Auditors' Report

To the Board of Administration
California Public Employees' Retirement System
Sacramento, California

We have audited the accompanying statement of fiduciary net assets of the fiduciary funds, and the statement of net assets of the proprietary funds, and the statement of changes in assets and liabilities of the agency funds of the California Public Employees' Retirement System (the "System"), a component unit of the State of California, as of June 30, 2006, and the related statements of changes in fund net assets of the fiduciary and proprietary funds and of cash flows from the proprietary funds for the year then ended. These basic financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these basic financial statements based on our audits. The comparative totals as of and for the year ended June 30, 2005, presented in the basic financial statements are included for additional analysis only.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

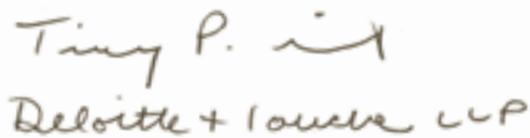
In our opinion, such basic financial statements referred to above present fairly, in all material respects, the fiduciary net assets of the fiduciary funds, the changes in assets and liabilities of the agency funds and the net assets of the proprietary funds of the System as of June 30, 2006, and the related changes in fiduciary net assets and the operations and cash flows for the proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report of Independent Accountants (continued)

As discussed in Note 5 to the basic financial statements, actual contributions to the Judges' Retirement Fund made by the State of California were materially less than the actuarially determined annual required contribution. Additionally, current year contributions made by the State of California were used to pay current year benefits. Management and legal counsel believe that the State of California is legally required to provide funding sufficient to pay benefits when due.

Management's Discussion and Analysis on pages 10 through 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board ("GASB"). This supplementary information is the responsibility of the System's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Our audits were conducted for the purpose of forming an opinion on the System's basic financial statements taken as a whole. The supplemental information included in pages 57 through 65 is presented for the purpose of additional analysis, as required by GASB, and is not a required part of the basic financial statements. This supplementary information by fund is the responsibility of the System's management. Such supplementary information has been subjected to the auditing procedures applied in our audits of the 2006 basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the 2006 basic financial statements taken as a whole. The required supplemental information for the years ended June 30, 2001, 2000, 1999, 1998, and 1997 was audited by other auditors in connection with their audits of the respective financial statements, on which they expressed an unqualified opinion. The supplemental information included in pages 67 through 73 is presented for purposes of additional analysis and is not a required part of the 2006 basic financial statements. This supplementary information is the responsibility of the System's management. Such additional information has been subjected to the auditing procedures applied by us in the audit of the 2006 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2006 basic financial statements taken as a whole.



Ting P. in
Deloitte + Touche LLP

November 14, 2006

Management's Discussion & Analysis

This section presents management's discussion and analysis of the California Public Employees' Retirement System (CalPERS) financial performance during the fiscal year ended June 30, 2006, and is presented as a narrative overview and analysis in conjunction with the Chief Executive Officer's Letter of Transmittal included in the Introductory Section of the CalPERS Comprehensive Annual Financial Report. The Management's Discussion and Analysis should be read in conjunction with the basic financial statements of CalPERS, as presented in the Comprehensive Annual Financial Report.

In addition to the historical information, the Management's Discussion and Analysis includes certain forward-looking statements which involve certain risks and uncertainties. CalPERS actual results, performance, and achievements may differ materially from the results, performance, and achievements expressed or implied in such forward-looking statements, due to a wide range of factors, including changes in interest rates, changes in the securities markets, general economic conditions, and legislative changes, as well as other factors.

CalPERS is primarily responsible for administering retirement and health benefits, as well as administering supplemental retirement savings plans. CalPERS comprises a total of 15 funds, including five defined benefit pension funds, four defined contribution pension funds, four proprietary funds, and two agency funds. The Public Employees' Retirement Fund (PERF) is the primary fund administered by CalPERS.

Financial Highlights

Public Employees' Retirement Fund (PERF)

- The net assets of the PERF increased by \$21.6 billion, or 11.4 percent. The increase was primarily due to strong returns in real estate and private equity investments.
- The PERF net rate of return on investments of 11.8 percent on a market value basis was a decrease from the 12.3 percent rate of return in the prior fiscal year. Real estate and private equity produced exceptional returns for the year, and when combined with solid returns in equities, CalPERS investments achieved double-digit returns for the third year in a row.

The 11.8 percent net rate of return will not impact employer contribution rates until the 2007 fiscal year for the State and school employers and 2008 fiscal year for public agency employers.

- As of June 30, 2005, the date of the most recent actuarial valuation, the PERF is actuarially funded at 87.3 percent, which is the same as the June 30, 2004, funded level. The asset smoothing method only recognizes a portion of the total actuarial gains or losses. Additional actuarial losses from fiscal years when CalPERS had negative investment returns were recognized in the 2004-05 valuation resulting in a stable PERF funded ratio.
- The PERF paid \$9.2 billion in retirement benefits to 441,277 annuitants during 2006, compared to \$8.4 billion paid to 425,094 annuitants during the 2005 fiscal year. Benefit payments increased primarily due to an increase in the number of new retirees and cost-of-living adjustments (COLA).
- The total active and inactive membership was 1,048,895 at June 30, 2006. The PERF received \$3.1 billion in employee contributions from 807,589 active members and \$6.1 billion in employer contributions from 1,545 employers during fiscal year 2006, compared with \$3.2 billion and \$5.8 billion in employee and employer contributions respectively, in fiscal year 2005.

Additional financial information related to the other pension funds administered by CalPERS is included in the Financial Analysis Section of the Management's Discussion and Analysis.

Health & Long-Term Care Programs

- The CalPERS self-funded health care program earned \$12.1 million from operations, and unrestricted net assets increased by \$30.1 million to \$325.2 million. This increase can be attributed to a decrease in expected level of claims, moving Medicare-eligible members from the Basic plan to the Medicare plan, and savings from pharmacy initiatives.
- The unrestricted net assets of the CalPERS Long-Term Care Program amounted to a deficit of \$771.5 million at June 30, 2006. This amounts to an average deficit of \$4,436 for each of the 173,935 enrollees. The Long-Term Care Program collected \$243.7 million in premiums, and the approximate average annual

Management's Discussion & Analysis (continued)

premium per person was \$1,401. The deficit of \$771.5 million is an improvement of \$50.9 million from the deficit of \$822.4 million of June 30, 2005. The major source of the deficit reduction is the appreciation of investments, investment income of \$121.7 million, and a smaller increase in the estimated liability for future benefits. The LTCF is in the process of reviewing its current policies and exploring different options to address this deficit.

Critical Accounting Policies

CalPERS basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). CalPERS significant accounting policies are presented in Note 2 to the basic financial statements, which are included in this Comprehensive Annual Financial Report. CalPERS follows accounting policies to comply with various applicable laws and regulations and the guidelines as established by the Governmental Accounting Standards Board (GASB).

CalPERS most significant management accounting policies relate to the following.

Investments

All investments are reported at fair value. Many factors are considered in arriving at fair value. The fair value of investments in publicly held securities are generally based on actual market prices and quotations from major investment firms. In general, corporate bonds that do not have a published market price are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The CalPERS Investment Office securities analysts or outside experts determine the criteria to identify comparable securities based on the size, industry, and profitability of the company offering the securities and the term, rate, and dollar amount of the security.

Mortgages are valued on the basis of the timing of future principal payments and the amount of interest payments discounted at prevailing interest rates for similar instruments. The prevailing interest rates for mortgages are generally based on the 30-year Treasury note rate, which can be found in financial publications. Market interest rate changes impact the likelihood of refinancing activity, which impacts the

value of the mortgage investments. Declining interest rates will cause the value of mortgage investments to increase, but at a slower rate than non-callable similar duration securities.

The fair value of real estate investments, principally rental property subject to long-term net leases, is estimated based on independent appraisals. The appraisals are performed by CalPERS-approved appraisers who meet specific professional qualifications. Appraisals are estimates of current value and are based on three methods: the income approach, the cost approach, and the comparative sales approach. The three approaches are then compared and the appraiser determines the most appropriate valuation for the property. The appraisal process involves a significant amount of judgment, and changes in the real estate marketplace are not immediately taken into consideration, as the appraisals are performed annually.

Short-term investments are reported at fair value, when available, or at cost plus accrued interest, when quoted market values are not available.

Alternative investments consist of investments in a variety of markets and industries through partnerships, co-investments, direct investments, and other investment vehicles. For these investments, and others where no readily ascertainable market value exists, management, in consultation with investment advisors, determined the fair values for the individual investments. Management takes into consideration factors such as the book value, based on audited financial statements, the current and projected income generated by the investment, and the cost of the investment. These estimates are, by their nature, subjective and based on judgment. Hedge funds are valued at fair value.

CalPERS, through outside investment managers, holds investments in futures and options and enters into forward foreign currency exchange contracts. The fair value of futures, options, and forward foreign currency exchange contracts are determined based upon quoted market values.

CalPERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contract. CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. Investment performance rates of return for asset

Management's Discussion & Analysis (continued)

classes and total funds are prepared using pre-audit asset data by Wilshire Associates. The returns are based solely on Wilshire Associates' compilation and analysis of the data as provided by the master custodian, State Street Bank.

Actuarial Valuation

Actuarial valuations are used to determine the cost of pension benefits payable to the members of CalPERS who participate in the PERF, the Legislators' Retirement Fund (LRF), the Judges' Retirement Fund (JRF), the Judges' Retirement Fund II (JRF II), and the Volunteer Firefighters' Length of Service Award Fund (VFF), as well as the related required contribution rates. The actuarial valuations include a number of significant assumptions, including the actuarial valuation method used, the asset valuation method, the rate of return on the investment portfolio, rate of inflation, projected salary increases, post retirement benefits, and the life expectancy of members and beneficiaries. Significant actuarial assumptions used in the valuations are included in the Notes to Required Supplemental Schedules on page 62.

Estimated Liabilities

The Public Employees' Health Care Fund (HCF) establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported (IBNR). The estimated claims liability was calculated by the HCF's third-party administrator, using a variety of actuarial and statistical techniques, and adjusted for actual experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to an expense in the periods in which they are made. The estimated claims liability is carried at its face amount, and no interest discount is assumed. The IBNR portion represents an estimate for claims that have been incurred prior to the fiscal year end, but have not been reported to the HCF.

The Public Employees' Long-Term Care Fund (LTCF) estimates the required funding level to provide for the payment of future claim benefits. This estimate is predicated upon participation levels that are expected to be achieved by the program. The LTCF establishes the current

liability for future benefits based on the present value of such future benefits and expenses, less the present value of expected future premiums.

An actuarial valuation establishes the liability for future policy benefits based on the present value of future benefits and expenses less the present value of future premiums. The liability for future policy benefits was calculated by using a variety of actuarial and statistical techniques.

Overview of the Financial Statements

The Management's Discussion and Analysis provides an introduction to and overview of the CalPERS basic financial statements, which comprise the following components: fund financial statements, notes to the financial statements, required supplementary information, and other supplementary schedules. Collectively, this information presents the combined net assets held in trust for pension benefits and the combined unrestricted net assets for each of the other funds administered by CalPERS as of June 30, 2006, and summarizes the combined changes in net assets held in trust for pension benefits, the combined changes in unrestricted net assets, and the cash flows of the proprietary funds for the year then ended, along with an actuarial view on the funding status of the defined benefit plans. The information available in each of these sections is briefly summarized as follows.

Fund Financial Statements

At June 30, 2006, financial statements are presented for the two types of funds administered by CalPERS: fiduciary funds and proprietary funds.

Fiduciary funds — include pension trust funds. The defined benefit plans administered by CalPERS include the PERF, LRF, JRF, and JRF II. The defined contribution plans administered by CalPERS include the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), the Public Agency Deferred Compensation Program (IRC 457), the Replacement Benefit Fund (RBF), and the Supplemental Contributions Program Fund (SCPF). The remaining fiduciary funds are the VFF, an award system, the Old Age & Survivors' Insurance Revolving Fund (OASI), and the Medicare Part D Special Deposit Fund (SDF). The fiduciary funds are used to account for

Management's Discussion & Analysis (continued)

resources held for the benefit of CalPERS participants. A statement of fiduciary net assets and a statement of changes in fiduciary net assets are presented for the fiduciary funds as of and for the year ended June 30, 2006, along with comparative total information as of and for the year ended June 30, 2005. These financial statements reflect the resources available to pay benefits to retirees and other beneficiaries as of year end, as well as the changes in those resources during the year.

Proprietary funds — include the following enterprise funds: the Public Employees' Health Care Fund (HCF), the Public Employees' Contingency Reserve Fund (CRF), the Public Employees' Long-Term Care Fund (LTCF), and the Public Employees' Deferred Compensation Fund (DCF). Proprietary funds are used to account for CalPERS business-type activities, where fees are charged to cover the costs of certain services, including long-term care, health care, and other benefits. A statement of net assets, a statement of revenues, expenses, and changes in fund net assets, and a statement of cash flows are presented for the proprietary funds as of June 30, 2006, and for the year then ended, along with comparative total information as of and for the year ended June 30, 2005. These financial statements reflect the net assets of, changes in net assets of, and cash flows from CalPERS business-type activities.

Notes to the Basic Financial Statements

The financial statement notes provide additional information that is essential to a full understanding of the information provided in the fund financial statements. Information available in the notes to the financial statements is described below.

Note 1 — provides a general description of CalPERS, as well as a concise description of each of the funds administered by CalPERS. Information regarding employer and member participation in the pension plans administered by CalPERS is also provided.

Note 2 — provides a summary of significant accounting policies, including the basis of accounting for each of the fund types, investment accounting policies, management's use of estimates, information regarding the implementation of new accounting pronouncements, and other significant accounting policies.

Note 3 — provides information on cash and cash equivalents.

Note 4 — describes investments, including investing authority, investment risk categorizations, and additional information about cash, securities lending, and derivatives.

Note 5 — provides information about employer contributions to the pension funds administered by CalPERS.

Note 6 — provides information on commitments.

Note 7 — provides information on potential contingencies of CalPERS.

Note 8 — provides detailed information on the estimated claims liability of the HCF.

Note 9 — provides information regarding the LTCF June 30, 2006 actuarial valuation.

Required Supplementary Information

Because of the long-term nature of a public defined benefit pension plan, financial statements for the past year alone cannot provide sufficient information to properly reflect the funded position of the plan. Therefore, in addition to the basic financial statements, two required schedules of historical trend information related to the defined benefit plans are presented as part of the Required Supplementary Information (RSI) section of the basic financial statements. These two schedules are the Required Supplemental Schedule of Funding Progress and the Required Supplemental Schedule of Employer Contributions. These two schedules are based on the actuarial valuations performed by CalPERS actuaries, and provide additional actuarial information that contributes to the understanding of the changes in the actuarial funding and the funded status of these defined benefit plans over the past 10 years. The actuarial information is based upon assumptions made about future events at the time the valuations were performed, and, therefore, the amounts presented are management's estimates. Also included as part of the RSI is the Required Supplemental Schedule of Claims Development Information for the HCF.

Management's Discussion & Analysis (continued)

Other Supplementary Schedules

Other schedules include detailed information on administrative expenses incurred by CalPERS-administered funds, as well as investment and other professional services expenses incurred.

Financial Analysis of CalPERS Funds

Public Employees' Retirement Fund (PERF)

Plan Net Assets

The PERF provides retirement benefits to State of California and other California public agency employees. PERF benefits are funded by member and employer contributions and by earnings on investments. The PERF net assets held in trust for benefits at June 30, 2006 were \$211.2 billion, an increase of \$21.6 billion (11.4 percent) from \$189.6 billion at June 30, 2005.

Additions to PERF net assets held in trust for benefits include employer and member contributions, as well as investment income. For the 2006 fiscal year, employer and member contributions totaled \$9.2 billion, an increase of \$0.2 billion (2.5 percent) from the 2005 fiscal year. The increase in required contributions was due primarily to an increase in participants. The PERF recognized net investment income of \$22.0 billion for the 2006 fiscal year, compared with a net investment income of \$21.9 billion for the 2005 fiscal year.

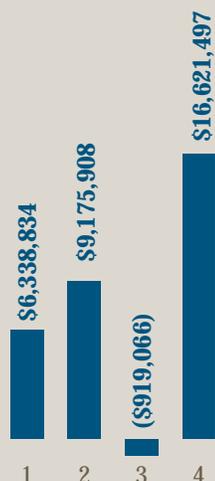
Deductions from PERF net assets held in trust for benefits consist primarily of retirement, death, and survivor benefits, refunds, and administrative expenses. For the 2006 fiscal year, retirement, death, and survivor benefits totaled \$9.2 billion, an increase of \$0.8 billion (9.5 percent) from the 2005 fiscal year. The increase in benefit payments was primarily a result of an increase in the number of retirees from 425,094 to 441,277 and COLA increases. For the 2006 fiscal year, the costs of administering the PERF benefits amounted to \$236.2 million, an increase of approximately \$27.2 million (13.0 percent) from the 2005 fiscal year due to the resumption of information technology projects and increased operating costs.

On a per member and beneficiary basis, the cost of administering PERF benefits during the 2006 fiscal year was approximately \$159 per individual, an increase of approximately \$14 per individual from the 2005 fiscal year.

An actuarial valuation of PERF assets and benefit obligations is performed annually. At June 30, 2005, the date of the most recent actuarial valuation, the funded status of the PERF remained unchanged at 87.3 percent from the funded status at June 30, 2004. The amount by which PERF actuarial benefit liabilities exceeded actuarial assets was \$26.6 billion at June 30, 2005, compared with a \$24.7 billion funding deficit at June 30, 2004. This increase relates primarily to the recognition of actuarial losses from prior fiscal years when the PERF incurred negative investment returns.

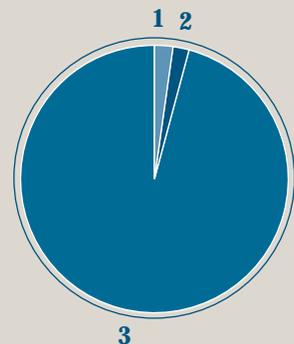
Additions — PERF (Dollars in Thousands)

1. Interest, Dividends, Real Estate & Other
2. Retirement Contributions
3. Other Investment Expenses
4. Net Appreciation in Fair Value of Investments



Deductions — PERF (Dollars in Thousands)

1. Administrative Expenses - \$236,212
2. Contribution Refunds - \$170,929
3. Retirement Benefits - \$9,236,073



Management's Discussion & Analysis (continued)

Net Assets — PERF

(Dollars in Thousands)

	2006	2005	Total Percentage Change
Assets			
Cash, Cash Equivalents & Total Receivables	\$4,291,764	\$5,399,361	(20.5%)
Investments	212,067,935	193,867,878	9.4
Securities/Lending Collateral	38,011,353	36,139,100	5.2
Capital Assets & Other	391,636	352,633	11.1
Total Assets	\$254,762,688	\$235,758,972	8.1%
Liabilities			
Retirement Benefits in Process of Payment, Investment Settlement & Other	\$5,560,534	\$9,988,991	(44.3%)
Liabilities to Brokers for Security Lending	38,011,353	36,139,100	5.2
Total Liabilities	\$43,571,887	\$46,128,091	(5.5)
Total Net Assets	\$211,190,801	\$189,630,881	11.4%

Changes in Net Assets — PERF

(Dollars in Thousands)

	2006	2005	Total Percentage Change
Additions			
Member Contributions	\$3,080,879	\$3,176,781	(3.0%)
Employer Contributions	6,095,029	5,774,120	5.6
Investment Income	22,041,265	21,893,728	0.7
Other	—	473	—
Total Additions	\$31,217,173	\$30,845,102	1.2%
Deductions			
Retirement Benefits	\$9,236,073	\$8,434,119	9.5%
Refund of Contributions	170,929	155,236	10.1
Administrative Expenses	236,212	208,965	13.0
Other Expenses	14,039	—	—
Total Deductions	\$9,657,253	\$8,798,320	9.6%
Increase in Net Assets	\$21,559,920	\$22,046,782	(2.2%)

Management's Discussion & Analysis (continued)

Current year earnings will affect future years' funded status and contribution rates using the CalPERS policy of actuarial asset smoothing.

Investments

PERF investments, excluding securities lending collateral, totaled \$212.1 billion at June 30, 2006, which was \$18.3 billion (9.4 percent) more than the \$193.8 billion in total PERF investments at June 30, 2005.

At June 30, 2006, the PERF held \$129.9 billion in domestic equity and international equity securities, an increase of \$15.1 billion from \$114.8 billion at fiscal year end 2005. The increase was mainly due to above average returns in international equity securities during 2006. Domestic equity and international equity securities earned returns of approximately 9.6 percent and 26.7 percent, respectively, for the 2006 fiscal year, compared to 7.3 percent and 17.5 percent, respectively for fiscal year 2005.

CalPERS benchmark returns for domestic and international equity securities for fiscal year 2006 were 9.5 percent and 27.7 percent, respectively. CalPERS uses the Wilshire 2500 Index to provide a benchmark for the domestic equity investment returns, and the PERS SSGA Custom Index for international equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market conditions.

At June 30, 2006, the PERF held \$52.0 billion in domestic and international debt securities, a decrease of \$2.3 billion from \$54.3 billion at fiscal year end 2005. Domestic debt securities returned approximately a negative 1.3 percent, and international debt securities returned approximately a negative 0.2 percent for the 2006 fiscal year, compared to the 11.0 percent and 8.4 percent, respectively for fiscal year 2005. CalPERS benchmark returns were negative 3.1 percent and 0.2 percent, respectively. CalPERS uses the Lehman Long Liability Index and the Lehman World Government Bonds, Ex-U.S. Index to provide a benchmark for fixed income investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment.

At June 30, 2006, the PERF held \$15.2 billion in net real estate investments, an increase of \$5.6 billion from \$9.6 billion at the 2005 fiscal year end. CalPERS has continued to increase its real estate holdings in opportunistic and international investments to fulfill investment diversification. Real estate investments returned approximately 25.8 percent for the 2006 fiscal year, compared to 30.2 percent for fiscal year 2005.

CalPERS benchmark real estate return for fiscal year 2006 was 18.7 percent. CalPERS uses the NCREIF Property Index to provide a benchmark for our real estate investment returns.

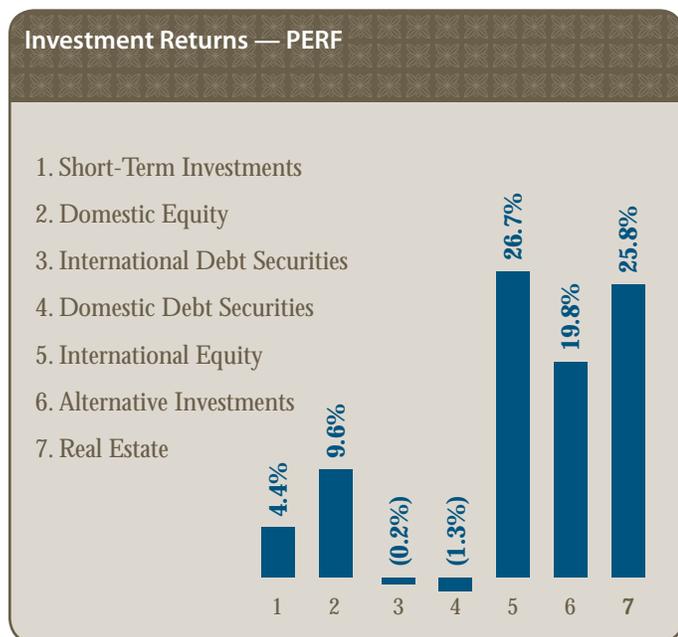
At June 30, 2006, the PERF held \$12.1 billion in alternative investments, an increase of \$2.3 billion from \$9.8 billion at the 2005 fiscal year end. Alternative

Investments — PERF

(Dollars in Billions)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Short-Term Investments	\$2.9	1.4%	4.4%	2.2%	4.2%
Domestic Equity	85.0	40.0	9.6	7.3	9.5
International Equity	44.9	21.2	26.7	17.5	27.7
Domestic Debt Securities	46.5	21.9	(1.3)	11.0	(3.1)
International Debt Securities	5.5	2.6	(0.2)	8.4	0.2
Real Estate	15.2	7.2	25.8	30.2	18.7
Alternative Investments	12.1	5.7	19.8	23.1	19.6
Total or Overall Return	\$212.1	100.0%	11.8%	12.3%	10.7%

Management's Discussion & Analysis (continued)



investments yielded a return of approximately 19.8 percent for the 2006 fiscal year, compared to 23.1 percent for fiscal year 2005.

CalPERS benchmark alternative investment return for fiscal year 2006 was 19.6 percent. CalPERS uses the Venture Economics Custom Young Fund Universe to provide a benchmark for alternative investments.

At June 30, 2006, the PERF held \$2.9 billion in short-term investments, a decrease of \$2.4 billion from the \$5.3 billion at the 2005 fiscal year end. Short-term investments returned approximately 4.4 percent for the 2006 fiscal year, compared to 2.2 percent for fiscal year 2005. CalPERS uses the SSGA Custom STIF as a benchmark for short-term investments.

The PERF earned other investment income of \$766.0 million for the 2006 fiscal year. Included in other investment income was income earned from securities litigation, sale of fractional shares, and other miscellaneous income, and \$523.7 million resulting from a redistribution of income from the change in the net asset value of our real estate investments.

The PERF earns additional investment income by lending investment securities. The borrowers provide collateral to



Note:

Excludes \$38.0 billion in securities lending collateral.

the PERF that are valued in excess of the securities loaned. For the 2006 fiscal year, net securities lending income amounted to \$158.5 million, an increase of \$43.7 million (38.1 percent) from \$114.8 million during fiscal year 2005.

CalPERS participates in Directed Brokerage/Commission Recapture arrangements. The CalPERS Directed Brokerage Program had a balance of \$2.4 million at July 1, 2005. For fiscal year 2006, brokerage commissions that were rebated totaled \$2.4 million. Expenses in the amount of \$3.4 million were incurred to purchase analytical tools, advisory, and other research materials. The Directed Brokerage Program had a balance of approximately \$1.5 million at June 30, 2006. These amounts are recorded in the accompanying financial statements as of June 30, 2006 and 2005.

CalPERS participates in asset-based lending, in which secured debt is loaned to non-investment grade borrowers, primarily for working capital, acquisitions, turnarounds, growth financing, debtor-in-possession financing, exit financing, and corporate recapitalization/reorganizations. In exchange for these loan amounts, CalPERS receives interest and fees from the borrowers. Interest and fee income earned was \$9.7 million for the 2006 fiscal year, and outstanding commitments totaled \$442.5 million at June 30, 2006.

Management's Discussion & Analysis (continued)

Other Defined Benefit Pension Plans

Legislators' Retirement Fund (LRF)

Plan Net Assets

The LRF provides retirement benefits to California Legislators elected to office before November 7, 1990, and to all Constitutional and Statutory Officers. The number of LRF members is declining as eligible incumbent Legislators leave office and are replaced by those ineligible to participate in the LRF.

The LRF net assets held in trust for benefits at June 30, 2006 totaled \$133.6 million, a decrease of \$4.5 million (3.2 percent) from June 30, 2005.

Additions to LRF net assets held in trust for benefits were from investment income and contributions to repurchase military and prior year service credit. There were no actuarially determined annual required employer and member contributions for 2006. Net investment income decreased \$8.8 million (69.8 percent) to a net investment gain of \$3.8 million for the 2006 fiscal year, from a net investment gain of \$12.6 million for the 2005 fiscal year, due primarily to a decline in domestic fixed income returns during 2006.

Deductions in LRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2006 fiscal year, these benefits decreased \$0.5 million (6.1 percent) to \$7.3 million from \$7.8 million in 2005. On a per member and beneficiary basis, the cost of administering LRF benefits during the

2006 fiscal year was approximately \$939 per individual, a decrease of approximately \$77 per individual from the 2005 fiscal year due to decreased direct expenses.

An actuarial valuation of LRF assets and benefit obligations is performed annually using the aggregate cost method, which does not identify unfunded actuarial liabilities. Based on the most recent actuarial valuation, performed as of June 30, 2005, the active member contribution rate for the 2007 fiscal year remains at zero percent.

Investments

The LRF invests mainly in domestic and international equity securities, as well as domestic debt securities. LRF investments totaled \$133.6 million at June 30, 2006, which was \$4.5 million (3.3 percent) less than the \$138.1 million in total LRF investments at June 30, 2005, primarily as a result of less than expected investment returns and a zero contribution rate.

At June 30, 2006, the LRF held \$54.2 million in domestic equity and international equity securities, an increase of \$0.7 million from \$53.5 million at fiscal year end 2005. Domestic equity and international equity securities yielded returns of approximately 8.4 percent and 26.7 percent for fiscal year 2006 respectively, compared to the 6.0 percent and 14.1 percent for fiscal year 2005. CalPERS benchmark returns for the fiscal year 2006 were 8.5 percent and 26.6 percent. CalPERS uses the Custom S&P 500 Index and MSCI EAFE Index (net of dividends), to provide a benchmark for the domestic and international equity investment returns, respectively. These benchmarks are representative of the returns that could be expected in a

Investments — LRF

(Dollars in Millions)

	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Investment Class					
Domestic Equity	\$40.8	30.6%	8.4%	6.0%	8.5%
International Equity	13.4	10.0	26.7	14.1	26.6
Domestic Debt Securities	79.4	59.4	(5.3)	8.6	(3.4)
Total or Overall Return	\$133.6	100.0%	2.0%	8.8%	3.0%

Management's Discussion & Analysis (continued)

similar investing environment and reflect the overall market conditions.

At June 30, 2006, the LRF held \$79.4 million in domestic debt securities, a decrease of \$5.2 million from \$84.6 million at fiscal year end 2005. Domestic debt securities returned negative 5.3 percent for fiscal year 2006, compared to 8.6 percent for fiscal year 2005. CalPERS benchmark return for fiscal year 2006 was negative 3.4 percent. CalPERS uses the Citigroup Large Pension Fund Index to provide a benchmark for our fixed income investment returns. This benchmark is

representative of the returns that could be expected in a similar investing environment, and reflects the overall market characteristics.

Judges' Retirement Fund (JRF)

Plan Net Assets

The JRF provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges. The JRF net assets held in trust for benefits at June 30, 2006, totaled \$17.9 million, an increase of \$0.7 million from June 30, 2005.

Net Assets — Other Defined Benefit Pension Plan Funds

(Dollars in Thousands)

	LRF		JRF		JRF II		VFF	
	2006	2005	2006	2005	2006	2005	2006	2005
Assets								
Cash, Cash Equivalents & Receivables	\$295	\$906	\$3,062	\$12,215	\$3,307	\$2,908	\$409	\$423
Investments	133,560	138,063	15,028	5,195	215,756	172,068	3,034	4,940
Total Assets	\$133,855	\$138,969	\$18,090	\$17,410	\$219,063	\$174,976	\$3,443	\$5,363
Total Liabilities	\$224	\$874	\$204	\$166	\$77	\$3,102	\$9	\$2,313
Total Net Assets	\$133,631	\$138,095	\$17,886	\$17,244	\$218,986	\$171,874	\$3,434	\$3,050

Changes in Net Assets — Other Defined Benefit Pension Plan Funds

(Dollars in Thousands)

	LRF		JRF		JRF II		VFF	
	2006	2005	2006	2005	2006	2005	2006	2005
Additions								
Member Contributions	\$160	\$20	\$10,315	\$10,417	\$9,584	\$8,217	\$—	\$—
Employer Contributions	—	—	120,576	127,078	24,069	21,195	307	211
Investment Income	3,808	12,575	959	234	15,474	14,816	285	241
Other Income	—	1	2,874	2,663	—	—	—	—
Total Additions	\$3,968	\$12,596	\$134,724	\$140,392	\$49,127	\$44,228	\$592	\$452
Deductions								
Retirement Benefits	\$7,314	\$7,792	\$133,588	\$126,609	\$859	\$904	\$103	\$82
Refund of Contributions	823	979	323	88	750	340	—	—
Administrative Expenses	290	318	171	1,061	406	425	105	100
Other Expenses	5	—	—	—	—	—	—	—
Total Deductions	\$8,432	\$9,089	\$134,082	\$127,758	\$2,015	\$1,669	\$208	\$182
Increase (Decrease) in Net Assets	(\$4,464)	\$3,507	\$642	\$12,634	\$47,112	\$42,559	\$384	\$270

Management's Discussion & Analysis (continued)

Additions to JRF net assets held in trust for benefits include employer, State of California, and member contributions, as well as investment income. For the 2006 fiscal year, employer, State, and member contributions decreased \$6.6 million (4.8 percent) to \$130.9 million, from \$137.5 million for the 2005 fiscal year, primarily as a result of an decrease in the State's contribution. For the 2006 fiscal year, net investment income increased \$0.7 million (309.8 percent) from the 2005 fiscal year due mainly to higher average asset balances throughout the year.

Deductions in JRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2006 fiscal year, these benefits amounted to \$133.6 million, an increase of \$7.0 million (5.5 percent) from the 2005 fiscal year. The increase in benefit payments was mainly a result of a COLA and an increase in the number of JRF retirees and beneficiaries to 1,660 in the 2006 fiscal year from 1,606 in the 2005 fiscal year.

On a per member and beneficiary basis, the cost of administering JRF benefits during 2006 was approximately \$69 per individual, a decrease of approximately \$352 per individual from fiscal year 2005. The decrease is due primarily to a reallocation of expenses in the 2006 fiscal year.

The JRF is funded on a "pay-as-you-go" basis, where short-term investments, contributions received during the year, and a State General Fund augmentation are used to provide funding for benefit payments. This funding method is generally more expensive in the long term, as the fund does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the

JRF will not be able to pay the accumulated benefit payments due in 2007.

Investments

The JRF invests only in short-term securities. Total JRF investments were \$15.0 million at June 30, 2006, which was \$9.8 million more than the \$5.2 million in total JRF investments at June 30, 2005. The increase in total JRF investments was primarily due to an increase in total contributions. Short-term investments returned approximately 4.4 percent for fiscal year 2006, compared with the 2.4 percent for fiscal year 2005.

Judges' Retirement Fund II (JRF II)

Plan Net Assets

The JRF II provides retirement benefits to California Supreme and Appellate Court Justices, Superior Court Judges, and Municipal Court Judges first appointed or elected after November 9, 1994. The JRF II net assets held in trust for benefits at June 30, 2006 were \$219.0 million, an increase of \$47.1 million (27.4 percent) from June 30, 2005.

Additions to JRF II net assets held in trust for benefits include employer and member contributions, as well as investment income. Employer and member contributions increased \$4.2 million (14.4 percent), to \$33.7 million for the 2006 fiscal year, from \$29.4 million for the 2005 fiscal year, primarily as a result of an 11.5 percent increase in membership from 2005 to 2006. For the 2006 fiscal year, the JRF II earned net investment income of \$15.5 million, an increase in income of approximately \$0.7 million (4.4 percent) from the 2005 fiscal year net investment

Investments — JRF II

(Dollars in Millions)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Short-Term Investments	\$6.1	2.8%	4.5%	2.4%	N/A
Domestic Equity	72.5	33.6	8.4	6.0	8.5%
International Equity	43.7	20.3	26.8	14.0	26.6
Domestic Debt Securities	73.0	33.8	(6.0)	8.8	(3.4)
Real Estate	20.5	9.5	21.7	N/A	22.0
Total or Overall Return	\$215.8	100.0%	7.8%	9.7%	9.0%

Management's Discussion & Analysis (continued)

income of \$14.8 million, primarily due to increased dividends from equity investments as well as from stable earnings from fixed income investments.

Deductions in JRF II net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2006 fiscal year, these benefits amounted to \$859,000, a decrease of \$45,000 (5.0 percent) from the 2005 fiscal year.

On a per member and beneficiary basis, the cost of administering JRF II benefits during fiscal year 2006 was approximately \$481 per individual, a decrease of approximately \$80 per individual from fiscal year 2005, due to increased membership and lower direct costs.

An actuarial valuation of the JRF II assets and benefit obligations is performed annually. At June 30, 2005, the date of the most recent actuarial valuation, the funded status of JRF II increased to 94.3 percent from 93.8 percent at June 30, 2004. At June 30, 2005, the JRF II actuarial benefit obligations exceeded its actuarial assets by approximately \$10.2 million, while the amount by which the JRF II actuarial benefit obligations exceeded its actuarial assets at June 30, 2004, was approximately \$8.6 million.

Investments

The JRF II invests mainly in domestic and international equity securities and domestic debt securities. Total JRF II investments amounted to \$215.8 million (see table on previous page) at June 30, 2006, which was \$43.5 million (25.4 percent) more than the \$172.1 million at June 30, 2005. The increase in total JRF II investments was primarily due to the increase in contributions and membership and positive investment returns during the 2006 fiscal year.

At June 30, 2006, the JRF II held \$116.1 million in domestic equity and international equity securities, an increase of \$29.0 million from \$87.1 million at fiscal year end 2005. Domestic equity and international equity securities yielded returns of approximately 8.4 percent and 26.8 percent for fiscal year 2006, compared to the 6.0 percent and 14.0 percent for fiscal year 2005. CalPERS benchmark returns for fiscal year 2006 were 8.5 percent and 26.6 percent, respectively. CalPERS uses the Custom

S&P 500 Index and MSCI EAFE Index to provide a benchmark for our domestic and international equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market characteristics.

At June 30, 2006, the JRF II held \$73.0 million in domestic debt securities, an increase of \$11.5 million from \$61.5 million at fiscal year end 2005. Domestic debt securities returned approximately negative 6.0 percent for the 2006 fiscal year, compared to 8.8 percent for fiscal year 2005. CalPERS benchmark return for fiscal year 2006 was negative 3.4 percent. CalPERS uses the Citigroup Large Pension Fund Index to provide a benchmark for our fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment.

At June 30, 2006, the JRF II held \$6.1 million in short-term investments, a decrease of \$0.8 million from \$6.9 million at fiscal year end 2005. Short-term investments returned approximately 4.5 percent for fiscal year 2006, compared to 2.4 percent for fiscal year 2005.

Volunteer Firefighters' Fund (VFF)

Plan Net Assets

The VFF provides monetary awards to volunteer firefighters. The VFF net assets held in trust for benefits at June 30, 2006 were \$3.4 million, an increase of approximately \$0.3 million (12.6 percent), from \$3.1 million at June 30, 2005.

Contribution revenues totaled \$307,000 for the 2006 fiscal year, an increase of 45.5 percent from the 2005 fiscal year, due primarily to an increase in volunteer firefighter members and lump sum purchases of prior service credits. Net investment income was \$285,000 for fiscal year 2006, an increase in investment income of 18.3 percent from the \$241,000 in net investment income for fiscal year 2005.

Deductions from VFF net assets held in trust include awards of \$103,000 for fiscal year 2006, an increase of 25.6 percent from the 2005 fiscal year, primarily due to more participants qualifying and taking awards earlier.

Management's Discussion & Analysis (continued)

On a per member and beneficiary basis, the cost of administering the VFF benefits during fiscal year 2006 were approximately \$27 per individual, a decrease of approximately \$1 per individual from fiscal year 2005. The decrease was due to lower direct expenses.

An actuarial valuation of the VFF assets and benefit obligations is performed annually. At June 30, 2005, the date of the most recent actuarial valuation, the funded status of the VFF increased to 88.0 percent from 84.4 percent at June 30, 2004. At June 30, 2005, the VFF actuarial benefit obligations exceeded its actuarial assets by \$439,000, compared to \$550,000 at June 30, 2004.

Investments

The VFF invests mainly in domestic equity securities, international equity securities, domestic debt securities, and real estate equities. Total VFF investments were \$3.0 million at June 30, 2006, which was \$1.9 million (38.8 percent) less than the \$4.9 million at June 30, 2005.

At June 30, 2006, the VFF held \$1.7 million in domestic equity and international equity securities, an increase of \$0.3 million from the \$1.4 million at fiscal year end 2005. Domestic equity securities experienced a return of approximately 9.5 percent for fiscal year 2006, compared to the 6.7 percent for fiscal year 2005. International equity experienced a return of approximately 26.7 percent for fiscal year 2006. The VFF did not hold international equity securities long enough in the 2005 fiscal year for an annual rate of return calculation. CalPERS benchmark return for fiscal year 2006 was 9.6 percent for domestic equity

securities and 26.6 percent for international equity securities. CalPERS uses the Russell 3000 Index to provide a benchmark for our domestic equity investment returns, and the MSCI EAFE Index for our international equity investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market characteristics.

At June 30, 2006, the VFF held \$1.1 million in domestic debt securities, an increase of \$0.1 million from \$1.0 million at fiscal year end 2005. Domestic debt securities returned approximately negative 1.6 percent for the 2006 fiscal year, compared to the 10.1 percent for fiscal year 2005. CalPERS benchmark return for fiscal year 2005 was negative 3.4 percent. CalPERS uses the Citigroup Large Pension Fund Index to provide a benchmark for our fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment.

Defined Contribution Pension Plans

State Peace Officers' & Firefighters' Defined Contribution Plan Fund (SPOFF)

Plan Net Assets

The SPOFF provides supplemental retirement benefits to eligible safety employees. Net assets held in trust for pension benefits increased by \$18.9 million (7.9 percent) to \$259.5 million at June 30, 2006, from \$240.6 million at June 30, 2005.

Contribution revenues were \$8.9 million for fiscal year 2006, a decrease of 78.4 percent from fiscal year 2005.

Investments — VFF

(Dollars in Millions)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Domestic Equity	\$1.0	33.3%	9.5%	6.7%	9.6%
International Equity	0.6	20.0	26.7	N/A	26.6
Domestic Debt Securities	1.1	36.7	(1.6)	10.1	(3.4)
Real Estate	0.3	10.0	21.5	25.3	22.0
Total or Overall Return	\$3.0	100.0%	10.3%	10.2%	10.2%

Management's Discussion & Analysis (continued)

The large decrease to contribution revenues in fiscal year 2006 was due to negotiation provisions in the bargaining unit contract. The State suspended remitting monthly contributions for the rank and file and only continued contributions for management/supervisors. Net investment income was \$16.5 million for fiscal year 2006, representing an increase in investment income of \$1.2 million from the \$15.3 million in net investment income for the 2005 fiscal year.

SPOFF benefit expenses were \$6.6 million for the 2006 fiscal year, an increase of \$1.2 million (22.9 percent) from the 2005 fiscal year, due primarily to the increase in the number of retired SPOFF participants in 2006.

Investments

The SPOFF invests mainly in domestic equity securities. Total SPOFF investments were \$258.8 million at June 30, 2006, which was \$21.6 million (9.1 percent) more than the \$237.2 million in total SPOFF investments at June 30, 2005. Domestic equity securities yielded returns of approximately 6.9 percent for fiscal year 2006, compared to 8.0 percent for fiscal year 2005. CalPERS benchmark return for fiscal year 2006 was 7.0 percent. CalPERS uses a composite index to provide a benchmark for our domestic equity investment return.

Net Assets — Defined Contribution Pension Plan Funds

(Dollars in Thousands)

	SPOFF		IRC 457		RBF		SCPF	
	2006	2005	2006	2005	2006	2005	2006	2005
Assets								
Cash, Cash Equivalents & Receivables	\$753	\$3,544	\$1,893	\$1,768	\$46	\$22	\$35	\$35
Investments	258,824	237,151	538,644	441,981	881	676	20,817	20,551
Total Assets	\$259,577	\$240,695	\$540,537	\$443,749	\$927	\$698	\$20,852	\$20,586
Total Liabilities	\$132	\$122	\$404	\$952	\$818	\$625	\$61	\$54
Total Net Assets	\$259,445	\$240,573	\$540,133	\$442,797	\$109	\$73	\$20,791	\$20,532

Changes in Net Assets — Defined Contribution Pension Plan Funds

(Dollars in Thousands)

	SPOFF		IRC 457		RBF		SCPF	
	2006	2005	2006	2005	2006	2005	2006	2005
Additions								
Member Contributions	\$ —	\$ —	\$123,161	\$97,452	\$ —	\$ —	\$634	\$552
Employer Contributions	8,933	41,406	—	—	1,536	1,134	—	—
Investment Income	16,517	15,285	36,245	15,712	27	12	1,782	1,897
Other Income	—	—	8	11	—	—	—	—
Total Additions	\$25,450	\$56,691	\$159,414	\$113,175	\$1,563	\$1,146	\$2,416	\$2,449
Deductions								
Retirement Benefits	\$6,578	\$5,353	\$ —	\$ —	\$1,527	\$1,126	\$ —	\$ —
Administrative Expenses	—	—	—	—	—	—	79	76
Participant Withdrawals	—	—	62,078	41,503	—	—	2,078	2,194
Total Deductions	\$6,578	\$5,353	\$62,078	\$41,503	\$1,527	\$1,126	\$2,157	\$2,270
Increase in Net Assets	\$18,872	\$51,338	\$97,336	\$71,672	\$36	\$20	\$259	\$179

Management's Discussion & Analysis (continued)

Public Agency Deferred Compensation Plan (IRC 457)

Plan Net Assets

The CalPERS Board is trustee for public agency participant assets in the IRC 457 deferred compensation program. Net assets held in trust for pension benefits at June 30, 2006, were \$540.1 million, an increase of \$97.3 million (22.0 percent), from \$442.8 million at June 30, 2005.

Additions to IRC 457 net assets consist of member contributions of \$123.2 million in fiscal year 2006, compared to \$97.5 million in 2005. The increase is primarily due to an increase in member participation from 19,455 at June 30, 2005 to 21,542 at June 30, 2006. Net investment income amounted to \$36.2 million for fiscal year 2006, representing an increase in investment income of \$20.5 million from the \$15.7 million in net investment income for fiscal year 2005.

Deductions from the IRC 457 net assets consist primarily of participant withdrawals of \$62.1 million, an increase of \$20.6 million from the prior fiscal year of \$41.5 million.

Investments

The IRC 457 investments were \$538.6 million at June 30, 2006, which was \$97.3 million more than the \$442.8 million in total IRC 457 investments at June 30, 2005. IRC 457 asset allocation is participant directed.

At June 30, 2006, the IRC 457 held \$398.1 million in domestic and international equity securities, an increase of \$85.2 million from \$312.9 million at fiscal year end 2005.

At June 30, 2006, the IRC 457 held \$97.4 million in domestic debt securities, an increase of \$10.9 million from \$86.5 million at fiscal year end 2005.

At June 30, 2006, the IRC 457 held \$43.1 million in short-term investments, an increase of \$0.5 million from \$42.6 million at fiscal year end 2005.

Replacement Benefit Fund (RBF)

The RBF provides replacement retirement benefits to the small percentage of retired PERF members whose CalPERS retirement benefits earned are limited by Internal Revenue Code Section 415(b). Net assets held in trust for pension benefits increased by \$36,000 to \$109,000 at June 30, 2006, from \$73,000 at June 30, 2005.

Contribution revenues were \$1.5 million for the 2006 fiscal year, an increase of \$0.4 million from the 2005 fiscal year, primarily due to an increase in the number of retirees to 91 at June 30, 2006, from 70 at June 30, 2005.

The RBF paid benefits of \$1.5 million for the 2006 fiscal year, an increase of \$0.4 million from fiscal year 2005, primarily due to more members being eligible.

Investments

The RBF invests only in short-term securities. Total RBF investments were \$881,000 at June 30, 2006, which was \$205,000 more than the \$676,000 in total RBF investments at June 30, 2005. Short-term investments returned approximately 4.5 percent for fiscal year 2006, compared to 2.9 percent for fiscal year 2005.

Investments — SCPF

(Dollars in Millions)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Short-Term Investments	\$0.3	1.4%	3.1%	1.6%	4.0%
Domestic Equity	10.9	52.4	8.6	6.0	8.4
International Equity	4.1	19.7	26.5	13.8	26.6
Domestic Debt Securities	5.5	26.5	(3.1)	13.8	(0.2)
Total or Overall Return	\$20.8	100.0%	8.3%	8.7%	9.9%

Management's Discussion & Analysis (continued)

Supplemental Contributions Program Fund (SCPF)

The SCPF was established effective January 1, 2000, to provide supplemental retirement benefits to members of CalPERS and is entirely member funded. Net assets held in trust for pension benefits increased slightly to \$20.8 million at June 30, 2006.

Contribution revenues were \$634,000 for the 2006 fiscal year, an increase of 14.9 percent from the 2005 fiscal year, primarily due to more lump sum contributions being made in the 2006 fiscal year than in the 2005 fiscal year. Net investment income was \$1.8 million for fiscal year 2006, representing a decrease in investment income of \$0.1 million from \$1.9 million in net investment income for fiscal year 2005.

For fiscal year 2006, participant withdrawals were \$2.1 million, a decrease of \$0.1 million (5.3 percent) from fiscal year 2005.

Investments

The SCPF investments were \$20.8 million at June 30, 2006, which was \$0.2 million more than the \$20.6 million in total SCPF investments at June 30, 2005.

At June 30, 2006, the SCPF held \$15.0 million in domestic equity and international equity securities, an increase of \$0.7 million from \$14.3 million at fiscal year end 2005. Domestic equity and international equity securities yielded returns of approximately 8.6 percent and 26.5 percent for fiscal year 2006, compared to the 6.0 percent and 13.8 percent for fiscal year 2005. CalPERS benchmark returns for fiscal year 2006 were 8.4 percent and 26.6 percent, respectively. CalPERS uses the Custom S&P 500 Index and MSCI EAFE Index to provide a benchmark for our domestic and international equity investment returns, respectively.

At June 30, 2006, the SCPF held \$5.5 million in domestic debt securities, a decrease of \$0.3 million from \$5.8 million at fiscal year end 2005. Domestic debt securities returned approximately negative 3.1 percent for fiscal year 2006, compared to 13.8 percent for fiscal year 2005. CalPERS benchmark return for fiscal year 2006 was negative 0.2 percent. CalPERS uses the Citigroup 1-10 Year

Treasury as a benchmark for its domestic debt security investment returns.

At June 30, 2006, the SCPF held \$317,000 in short-term investments, a decrease of \$175,000 from \$492,000 at fiscal year end 2005. Short-term investments returned approximately 3.1 percent for fiscal year 2006, which was an improvement over the 1.6 percent for fiscal year 2005.

Enterprise Funds

Employees' Health Care Fund (HCF)

Plan Activity

The HCF accounts for the activities of the CalPERS self-insured health care programs.

The self-insured health care programs incurred claims expenses of \$1.1 billion for the 2006 fiscal year, an increase of 13.2 percent from the 2005 fiscal year, primarily due to increases in provider pricing and increased benefit utilization. Premium revenues were \$1.2 billion for the 2006 fiscal year, an increase of 9.6 percent from the 2005 fiscal year, primarily as a result of premium rate increases and enrollment growth. Net investment income was \$18.0 million for the 2006 fiscal year, an increase of 79.6 percent from the 2005 fiscal year. As a result of increased interest rates and the above, unrestricted net assets increased by \$30.1 million (10.2 percent) to \$325.2 million at June 30, 2006.

Investments

Investments of the HCF at June 30, 2006 and 2005, include highly-liquid, short-term securities and domestic debt securities. Investments increased \$12.1 million from \$426.5 million at June 30, 2005, to \$438.6 million at June 30, 2006. The increase was due primarily to the increased short-term interest rates.

Public Employees' Contingency Reserve Fund (CRF)

The CRF was established to fund administrative costs related to the CalPERS health care programs and to provide a contingency reserve for potential increases in future health care premium rates or health care benefit costs. The CRF also accounts for public agency health payments and

Management's Discussion & Analysis (continued)

Net Assets — Enterprise Funds

(Dollars in Thousands)

	HCF		CRF		LTCF		DCF	
	2006	2005	2006	2005	2006	2005	2006	2005
Assets								
Cash, Cash Equivalents & Receivables	\$51,693	\$45,744	\$115,095	\$99,720	\$19,238	\$17,670	\$1,337	\$1,421
Investments	438,550	426,528	163,519	154,393	1,786,622	1,597,011	4,665	1,525
Total Assets	\$490,243	\$472,272	\$278,614	\$254,113	\$1,805,860	\$1,614,681	\$6,002	\$2,946
Total Liabilities	\$165,074	\$177,244	\$268,935	\$246,267	\$2,577,358	\$2,437,112	\$4,526	\$2,013
Total Unrestricted Net Assets (Deficit)	\$325,169	\$295,028	\$9,679	\$7,846	(\$771,498)	(\$822,431)	\$1,476	\$933

Changes in Net Assets — Enterprise Funds

(Dollars in Thousands)

	HCF		CRF		LTCF		DCF	
	2006	2005	2006	2005	2006	2005	2006	2005
Revenues								
Self-Insurance Premiums	\$1,211,210	\$1,105,131	\$ —	\$ —	\$243,690	\$241,663	\$ —	\$ —
Health Care Premiums Collected	—	—	1,633,317	1,520,622	—	—	—	—
Investment Income	18,029	10,041	5,049	2,817	121,703	124,474	139	51
Administrative Fees & Other	—	—	13,140	16,808	—	—	1,742	1,722
Total Revenues	\$1,229,239	\$1,115,172	\$1,651,506	\$1,540,247	\$365,393	\$366,137	\$1,881	\$1,773
Expenses								
Claims Expenses	\$1,131,759	\$999,530	\$ —	\$ —	\$78,007	\$65,369	\$ —	\$ —
Increase (Decrease) in Estimated Liabilities	(340)	26,528	—	—	219,400	840,700	—	—
Health Care Premiums Remitted	—	—	1,633,317	1,520,622	—	—	—	—
Administrative Expenses	67,679	65,902	16,356	17,109	17,053	16,285	1,338	1,215
Total Expenses	\$1,199,098	\$1,091,960	\$1,649,673	\$1,537,731	\$314,460	\$922,354	\$1,338	\$1,215
Increase (Decrease) in Unrestricted Net Assets	\$30,141	\$23,212	\$1,833	\$2,516	\$50,933	(\$556,217)	\$543	\$558

Management's Discussion & Analysis (continued)

remittances to contracted health care providers. Administrative fees earned by the CRF were \$13.1 million for the 2006 fiscal year, a decrease of 22.0 percent from 2005 fiscal year of \$16.8 million. The decrease was due mainly to a premium rate decrease during the 2006 fiscal year. Net investment income was \$5.0 million for the 2006 fiscal year, an increase of 79.2 percent from the 2005 fiscal year. Unrestricted net assets increased by \$1.8 million (23.4 percent) to \$9.7 million at June 30, 2006.

Public agencies remitted \$1.6 billion for payments to contracted health care providers in fiscal year 2006. This is a 7.4 percent increase of \$0.1 billion over 2005.

Investments

Investments of the CRF at June 30, 2006 and 2005, included only highly-liquid, short-term securities, as investment balances are used to fund operating cash flows. Investments increased \$9.1 million from \$154.4 million at June 30, 2005 to \$163.5 million at June 30, 2006.

Public Employees' Long-Term Care Fund (LTCF)

The LTCF, which provides long-term care insurance to participating members, incurred claims expenses of \$78.0 million for the 2006 fiscal year, an increase of 19.3 percent from the 2005 fiscal year, due mainly to an increase in benefit utilization. Premium revenues were \$243.7 million for the 2006 fiscal year, an increase of 0.8 percent from the 2005 fiscal year. Net investment income amounted to \$121.7 million for the 2006 fiscal year, a decrease in investment income of 2.2 percent from the \$124.5 million in net investment income for the 2005 fiscal year, due mainly to lower appreciation in investments

in 2006. The unrestricted net assets of the CalPERS Long-Term Care Program increased by \$50.9 million to negative \$771.5 million during the 2006 fiscal year as a result of investment earnings and a smaller increase in the estimated liability for future policy benefits. Earnings were offset by an increase in liabilities due to the significant growth of inflation-adjusted policies. The LTCF is in the process of reviewing its current policies and exploring different options to address the deficit.

Investments

Total LTCF investments were \$1.8 billion at June 30, 2006, which was \$0.2 billion more than the \$1.6 billion in total LTCF investments at June 30, 2005.

At June 30, 2006, the LTCF held \$870.7 million in domestic equity and international equity securities, a decrease of \$69.0 million from \$939.7 million at fiscal year end 2005. Domestic equity and international equity securities experienced returns of approximately 8.5 percent and 26.8 percent for the 2006 fiscal year, compared to the 6.0 percent and 13.8 percent for fiscal year 2005. CalPERS benchmark returns for fiscal year 2006 were 8.5 percent and 26.6 percent. CalPERS uses the Custom S&P 500 Index and MSCI EAFE Index to provide a benchmark for our domestic and international equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market environment.

At June 30, 2006, the LTCF held \$825.4 million in domestic debt securities, an increase of \$248.1 million from \$577.3 million at fiscal year end 2005. Domestic debt securities returned approximately a negative 4.8 percent,

Investments — LTCF

(Dollars in Millions)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Short-Term Investments	\$0.8	0.0%	— %	N/A	N/A
Domestic Equity	520.6	29.2	8.5	6.0%	8.5%
International Equity	350.1	19.6	26.8	13.8	26.6
Domestic Debt Securities	825.4	46.2	(4.8)	8.5	(3.4)
Real Estate	89.7	5.0	21.7	N/A	22.0
Total or Overall Return	\$1,786.6	100.0%	7.1%	8.6%	7.4%

Management's Discussion & Analysis (continued)

compared to 8.5 percent for fiscal year 2005. CalPERS benchmark return for fiscal year 2006 was a negative 3.4 percent. CalPERS uses the Citigroup Large Pension Fund Index to provide a benchmark for our fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market environment.

Public Employees' Retirement System Deferred Compensation Fund (DCF)

The purpose of the DCF is to maintain the financial records associated with the investment and administrative management services CalPERS offers to other governments defined contribution plans. The fund recognizes as revenue fees charged other government clients for these services. The fund also records as expenses the costs incurred by CalPERS staff to support these services. Net income is retained in the fund balance to further expand the amount and types of deferred compensation plan management services. Fees are assessed to the State Savings Plus Program to manage one plan option, and certain investment portfolios of the IRC 457 public agency program.

The DCF reported administrative and investment management revenues of \$1.7 million for the 2006 fiscal year, relatively unchanged from the 2005 fiscal year. Expenses necessary to support these services were \$1.3 million for the 2006 fiscal year, which was a 10.1 percent increase from the 2005 fiscal year. Net income in fiscal year 2006 from investment of the DCF fund balance was \$139,000, an increase of 172.5 percent from the 2005 fiscal year, due mainly to more fees earned. Unrestricted net assets increased by \$0.5 million (58.2 percent) to \$1.5 million at June 30, 2006.

Investments

Investments of the DCF at June 30, 2006 and 2005, included only highly-liquid, short-term securities. Investments increased \$3.2 million from \$1.5 million at June 30, 2005, to \$4.7 million at June 30, 2006.

Requests For Information

This Financial Report is designed to provide a general overview of CalPERS finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the CalPERS Fiscal Services Division, P.O. Box 942703, Sacramento, CA, 94229-2703, or by calling 888 CalPERS (or 888-225-7377).

Basic Financial Statements

Statement of Fiduciary Net Assets

As of June 30, 2006 (with Comparative Totals, as of June 30, 2005)

(Dollars in Thousands)

	Pension Trust Funds					
	PERF	LRF	JRF	JRF II	VFF	SPOFF
Assets						
Cash & Cash Equivalents	\$397,530	\$246	\$ —	\$1	\$31	\$1
Receivables						
Member, Public Agency,						
State & School	\$1,597,698	\$45	\$2,768	\$3,111	\$368	\$744
Investment Sales & Other	1,511,344	—	—	—	—	—
Interest & Dividends	770,788	—	278	161	—	8
Due from Other Funds	3,434	4	16	34	10	—
Due from Federal Government	—	—	—	—	—	—
Other Program	10,970	—	—	—	—	—
Total Receivables	\$3,894,234	\$49	\$3,062	\$3,306	\$378	\$752
Investments, at Fair Value						
Short-Term Investments:						
Domestic	\$2,118,562	\$5	\$15,028	\$6,091	\$12	\$263
International	759,809	—	—	—	—	—
Securities Lending Collateral	38,011,353	—	—	—	—	—
Equity Securities:						
Domestic	85,018,855	40,769	—	72,439	1,042	258,561
International	44,868,329	13,396	—	43,710	620	—
Debt Securities:						
Domestic	46,514,538	79,390	—	73,007	1,051	—
International	5,511,716	—	—	—	—	—
Real Estate Equities:						
Debt on Real Estate Equities	(13,448,078)	—	—	20,509	309	—
Alternative Investments	12,045,147	—	—	—	—	—
Total Investments	\$250,079,288	\$133,560	\$15,028	\$215,756	\$3,034	\$258,824
Capital Assets, at Cost, Net of Accumulated Depreciation & Other Assets						
	\$391,636	\$ —	\$ —	\$ —	\$ —	\$ —
Total Assets	\$254,762,688	\$133,855	\$18,090	\$219,063	\$3,443	\$259,577
Liabilities						
Retirement & Other Benefits in						
Process of Payment	\$208,113	\$207	\$7	\$2	\$9	\$ —
Investment Purchases & Other	4,787,920	—	—	—	—	—
Due to State of California	1,411	—	—	—	—	—
Liabilities to Brokers for						
Securities Lending	38,011,353	—	—	—	—	—
Due to Other Funds	309	—	—	—	—	—
Other Program	562,781	17	197	75	—	132
Total Liabilities	\$43,571,887	\$224	\$204	\$77	\$9	\$132
Net Assets Held in Trust for Pension Benefits (see Required Supplemental Schedule of Funding Progress)						
	\$211,190,801	\$133,631	\$17,886	\$218,986	\$3,434	\$259,445

The accompanying notes are an integral part of these financial statements.

Statement of Fiduciary Net Assets (continued)

As of June 30, 2006 (with Comparative Totals, as of June 30, 2005)

(Dollars in Thousands)

Pension Trust Funds			Agency Funds		Totals	
IRC 457	RBF	SCPF	SDF	OASI	2006	2005
\$ —	\$1	\$1	\$ —	\$5,968	\$403,779	\$273,575
\$ —	\$33	\$32	\$ —	\$ —	\$1,604,799	\$1,516,688
—	—	—	—	—	1,511,344	2,866,067
720	12	2	—	—	771,969	753,470
—	—	—	—	—	3,498	6,703
—	—	—	27,340	—	27,340	—
1,173	—	—	—	—	12,143	10,741
\$1,893	\$45	\$34	\$27,340	\$ —	\$3,931,093	\$5,153,669
\$43,055	\$881	\$317	\$ —	\$ —	\$2,184,214	\$4,075,279
—	—	—	—	—	759,809	1,245,904
—	—	—	—	—	38,011,353	36,139,100
370,953	—	10,882	—	—	85,773,501	76,685,564
27,192	—	4,089	—	—	44,957,336	38,858,764
97,444	—	5,529	—	—	46,770,959	50,063,341
—	—	—	—	—	5,511,716	4,516,658
—	—	—	—	—	28,699,875	18,763,336
—	—	—	—	—	(13,448,078)	(9,169,309)
—	—	—	—	—	12,045,147	9,848,966
\$538,644	\$881	\$20,817	\$ —	\$ —	\$251,265,832	\$231,027,603
\$ —	\$ —	\$ —	\$ —	\$ —	\$391,636	\$352,633
\$540,537	\$927	\$20,852	\$27,340	\$5,968	\$255,992,340	\$236,807,480
\$ —	\$18	\$ —	\$ —	\$ —	\$208,356	\$749,789
—	—	—	—	—	4,787,920	8,719,450
—	—	—	—	5,860	7,271	7,005
—	—	—	—	—	38,011,353	36,139,100
—	—	—	—	108	417	336
404	800	61	27,340	—	591,807	526,681
\$404	\$818	\$61	\$27,340	\$5,968	\$43,607,124	\$46,142,361
\$540,133	\$109	\$20,791	\$ —	\$ —	\$212,385,216	\$190,665,119

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2006 (with Comparative Totals for the Year Ended June 30, 2005)

(Dollars in Thousands)

	Pension Trust Funds									Totals	
	PERF	LRF	JRF	JRF II	VFF	SPOFF	IRC 457	RBF	SCPF	2006	2005
Additions											
Retirement Contributions											
Members	\$3,080,879	\$160	\$10,315	\$9,584	\$ —	\$ —	\$123,161	\$ —	\$634	\$3,224,733	\$3,293,439
Employers	6,095,029	—	11,409	24,069	307	8,933	—	1,536	—	6,141,283	5,850,104
Appropriation from the State of California General Fund	—	—	109,167	—	—	—	—	—	—	109,167	115,040
Total Retirement Contributions	\$9,175,908	\$160	\$130,891	\$33,653	\$307	\$8,933	\$123,161	\$1,536	\$634	\$9,475,183	\$9,258,583
Investment Income											
Net Appreciation in Fair Value of Investments	\$16,621,497	\$3,804	\$ —	\$14,154	\$190	\$18,085	\$30,586	\$ —	\$1,763	\$16,690,079	\$16,074,140
Interest	2,575,346	4	959	394	8	23	6,036	27	19	2,582,816	2,172,963
Dividends	2,507,521	—	—	926	87	—	402	—	—	2,508,936	2,412,057
Real Estate	1,221,640	—	—	—	—	—	—	—	—	1,221,640	1,930,707
AIM	222,944	—	—	—	—	—	—	—	—	222,944	—
Other Income	765,960	—	—	—	—	—	1,461	—	—	767,421	1,314,232
Securities Lending Income	1,678,675	—	—	—	—	—	—	—	—	1,678,675	806,081
Less Investment Expenses:											
Costs of Lending	(1,520,214)	—	—	—	—	—	—	—	—	(1,520,214)	(691,316)
Real Estate	(1,113,038)	—	—	—	—	—	—	—	—	(1,113,038)	(1,050,909)
Other	(919,066)	—	—	—	—	(1,591)	(2,240)	—	—	(922,897)	(1,013,455)
Net Investment Income	\$22,041,265	\$3,808	\$959	\$15,474	\$285	\$16,517	\$36,245	\$27	\$1,782	\$22,116,362	\$21,954,500
Other Income	\$ —	\$ —	\$2,874	\$ —	\$ —	\$ —	\$8	\$ —	\$ —	\$2,882	\$3,148
Total Additions	\$31,217,173	\$3,968	\$134,724	\$49,127	\$592	\$25,450	\$159,414	\$1,563	\$2,416	\$31,594,427	\$31,216,231
Deductions											
Retirement, Death & Survivor Benefits	\$9,236,073	\$7,314	\$133,588	\$859	\$103	\$6,578	\$ —	\$1,527	\$ —	\$9,386,042	\$8,575,985
Refund of Contributions	170,929	823	323	750	—	—	—	—	—	172,825	156,643
Administrative Expenses	236,212	290	171	406	105	—	—	—	79	237,263	210,945
Participant Withdrawals	—	—	—	—	—	—	62,078	—	2,078	64,156	43,697
Other Expenses	14,039	5	—	—	—	—	—	—	—	14,044	—
Total Deductions	\$9,657,253	\$8,432	\$134,082	\$2,015	\$208	\$6,578	\$62,078	\$1,527	\$2,157	\$9,874,330	\$8,987,270
Increase (Decrease) in Net Assets	\$21,559,920	(\$4,464)	\$642	\$47,112	\$384	\$18,872	\$97,336	\$36	\$259	\$21,720,097	\$22,228,961
Net Assets Held in Trust for Pension Benefits											
Beginning of Year	\$189,630,881	\$138,095	\$17,244	\$171,874	\$3,050	\$240,573	\$442,797	\$73	\$20,532	\$190,665,119	\$168,436,158
End of Year	\$211,190,801	\$133,631	\$17,886	\$218,986	\$3,434	\$259,445	\$540,133	\$109	\$20,791	\$212,385,216	\$190,665,119

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Assets & Liabilities — Agency Funds

For the Year Ended June 30, 2006

(Dollars in Thousands)

	OASI			Balance June 30, 2006
	Balance June 30, 2005	Additions	Deductions	
Assets				
Cash Held by State Treasurer	\$6,062	\$ —	\$94	\$5,968
Total Assets	\$6,062	\$ —	\$94	\$5,968
Liabilities				
Due to State of California General Fund	\$20	\$ —	\$ —	\$20
Contributions Due to Public Agencies	5,947	—	107	5,840
Due to Other Funds	95	13	—	108
Total Liabilities	\$6,062	\$13	\$107	\$5,968

	SDF			Balance June 30, 2006
	Balance June 30, 2005	Additions	Deductions	
Assets				
Due from Federal Government	\$ —	\$27,340	\$ —	\$27,340
Total Assets	\$ —	\$27,340	\$ —	\$27,340
Liabilities				
Other Payables	\$ —	\$27,340	\$ —	\$27,340
Total Liabilities	\$ —	\$27,340	\$ —	\$27,340

The accompanying notes are an integral part of these financial statements.

Statement of Net Assets — Proprietary Funds

As of June 30, 2006 (with Comparative Totals, as of June 30, 2005)

(Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2006	2005
Assets						
Current Assets						
Cash & Cash Equivalents	\$ —	\$4,049	\$2,030	\$ —	\$6,079	\$1,874
Receivables						
Member, Public Agency, State & School	\$3,447	\$109,646	\$17,197	\$ —	\$130,290	\$118,082
Interest & Dividends	4,579	1,398	11	18	6,006	3,809
Management Fees	—	—	—	1,319	1,319	1,417
Due from Other Funds	43,667	—	—	—	43,667	39,373
Other	—	2	—	—	2	—
Total Receivables	\$51,693	\$111,046	\$17,208	\$1,337	\$181,284	\$162,681
Investments, at Fair Value						
Short-Term Investments:						
Domestic	\$402,701	\$163,519	\$869	\$4,665	\$571,754	\$511,799
Equity Securities:						
Domestic	—	—	520,583	—	520,583	641,054
International	—	—	350,090	—	350,090	298,591
Debt Securities:						
Domestic	35,849	—	825,359	—	861,208	648,013
Real Estate Equities	—	—	89,721	—	89,721	80,000
Total Investments	\$438,550	\$163,519	\$1,786,622	\$4,665	\$2,393,356	\$2,179,457
Total Assets	\$490,243	\$278,614	\$1,805,860	\$6,002	\$2,580,719	\$2,344,012
Liabilities						
Current Liabilities						
Insurance Premiums & Claims in Process of Payment	\$1,207	\$224,146	\$6,053	\$ —	\$231,406	\$220,478
Estimated Insurance Claims Due	159,063	—	108,385	—	267,448	238,392
Management Fees	—	—	—	1,973	1,973	798
Due to Other Funds	—	43,592	601	2,553	46,746	45,741
Other	4,804	1,197	27,604	—	33,605	112,515
Total Current Liabilities	\$165,074	\$268,935	\$142,643	\$4,526	\$581,178	\$617,924
Long-Term Liabilities						
Estimated Liability for Future Policy Benefits	\$ —	\$ —	\$2,434,715	\$ —	\$2,434,715	\$2,244,712
Total Long-Term Liabilities	\$ —	\$ —	\$2,434,715	\$ —	\$2,434,715	\$2,244,712
Total Liabilities	\$165,074	\$268,935	\$2,577,358	\$4,526	\$3,015,893	\$2,862,636
Total Unrestricted Net Assets (Deficit)	\$325,169	\$9,679	(\$771,498)	\$1,476	(\$435,174)	(\$518,624)

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses & Changes in Fund Net Assets — Proprietary Funds

For the Year Ended June 30, 2006 (with Comparative Totals for the Year Ended June 30, 2005)

(Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2006	2005
Operating Revenues						
Self-Insurance Premiums	\$1,211,210	\$ —	\$243,690	\$ —	\$1,454,900	\$1,346,794
Health Care Premiums Collected	—	1,633,317	—	—	1,633,317	1,520,622
Administrative Fees Earned	—	12,757	—	1,115	13,872	16,349
Investment Management Fees Earned	—	—	—	628	628	460
Other	—	383	—	(1)	382	1,721
Total Operating Revenues	\$1,211,210	\$1,646,457	\$243,690	\$1,742	\$3,103,099	\$2,885,946
Operating Expenses						
Claims Expenses	\$1,131,759	\$ —	\$78,007	\$ —	\$1,209,766	\$1,064,899
Increase (Decrease) in Estimated Liabilities	(340)	—	219,400	—	219,060	867,228
Health Care Premiums Remitted to Insurance Carriers	—	1,633,317	—	—	1,633,317	1,520,622
Administrative Expenses	67,679	16,356	17,053	1,338	102,426	100,511
Total Operating Expenses	\$1,199,098	\$1,649,673	\$314,460	\$1,338	\$3,164,569	\$3,553,260
Operating Income (Loss)	\$12,112	(\$3,216)	(\$70,770)	\$404	(\$61,470)	(\$667,314)
Non-Operating Revenues						
Net Appreciation in Fair Value of Investments	\$79	\$ —	\$108,658	\$ —	\$108,737	\$116,957
Interest, Dividends & Other Investment Income	17,950	5,049	13,045	139	36,183	20,426
Total Non-Operating Revenues	\$18,029	\$5,049	\$121,703	\$139	\$144,920	\$137,383
Change in Unrestricted Net Assets	\$30,141	\$1,833	\$50,933	\$543	\$83,450	(\$529,931)
Total Unrestricted Net Assets (Deficit)						
Beginning of Year	\$295,028	\$7,846	(\$822,431)	\$933	(\$518,624)	\$11,307
End of Year	\$325,169	\$9,679	(\$771,498)	\$1,476	(\$435,174)	(\$518,624)

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows — Proprietary Funds

For the Year Ended June 30, 2006 (with Comparative Totals for the Year Ended June 30, 2005)

(Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2006	2005
Cash Flows From Operating Activities						
Self-Insurance Premiums Collected	\$1,210,725	\$ —	\$243,828	\$ —	\$1,454,553	\$1,346,931
Health Care Premiums Collected	—	1,633,317	—	—	1,633,317	1,516,874
Claims Paid	—	—	(77,344)	—	(77,344)	(1,062,076)
Health Care Premiums Remitted	(1,141,322)	(1,633,317)	—	—	(2,774,639)	(1,516,874)
Other (Payments) Receipts	(74,240)	7,590	(96,870)	3,015	(160,505)	(6,854)
Net Cash (Used) Provided by Operating Activities	(\$4,837)	\$7,590	\$69,614	\$3,015	\$75,382	\$278,001
Cash Flows From Investing Activities						
Net Proceeds from Sales of Investments	\$34,935	\$ —	\$ —	\$ —	\$ —	\$ —
Net Purchases of Investments	—	—	(80,141)	—	(45,206)	(264,384)
Net Change in Short-Term Investments	(46,878)	(9,126)	(811)	(3,140)	(59,955)	(38,901)
Interest & Dividends Received	16,247	4,574	13,038	125	33,984	18,323
Net Cash Provided (Used) by Investing Activities	\$4,304	(\$4,552)	(\$67,914)	(\$3,015)	(\$71,177)	(\$284,962)
Net Increase (Decrease) in Cash & Cash Equivalents	(\$533)	\$3,038	\$1,700	\$ —	\$4,205	(\$6,961)
Cash & Cash Equivalents, Beginning of Year	\$533	\$1,011	\$330	\$0	\$1,874	\$8,836
Cash & Cash Equivalents, End of Year	\$0	\$4,049	\$2,030	\$0	\$6,079	\$1,875
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$12,112	(\$3,217)	(\$70,770)	\$404	(\$61,471)	(\$667,314)
Estimated Insurance Claims Due to Health Care Providers	(341)	—	—	—	(341)	26,528
Changes in Assets & Liabilities:						
Receivables:						
Member, Public Agency, State & School	(485)	(11,862)	138	—	(12,209)	(4,660)
Due from Other Funds	(4,294)	—	—	—	(4,294)	(3,858)
Other	—	(2)	—	98	96	(1,054)
Insurance Premiums & Claims in Process of Payment	(9,562)	19,828	663	—	10,929	14,949
Liability for Future Policy Benefits	—	—	219,400	—	219,400	840,700
Due to Other Funds	(3,915)	3,342	242	1,338	1,007	3,298
Other	1,648	(499)	(80,059)	1,175	(77,735)	69,412
Net Cash (Used) Provided by Operating Activities	(\$4,837)	\$7,590	\$69,614	\$3,015	\$75,382	\$278,001
Noncash Investing, Capital & Financing Activities						
Noncash Change in Fair Value of Investments in Securities	\$8	\$ —	\$108,663	\$ —	\$108,671	\$116,957

The accompanying notes are an integral part of these financial statements.

Notes to the Basic Financial Statements

1. General Description of the Plan

General

The State Employees' Retirement System, the predecessor to the Public Employees' Retirement System of the State of California (CalPERS), or the "System," was created after voters approved a constitutional amendment authorizing legislation to establish a pension system for State employees. Such legislation became effective January 1, 1932. CalPERS has expanded to include, among others, employees of local agencies which elect to participate in the System. The Board of Administration (Board) of CalPERS administers a total of 15 funds, including five defined benefit retirement plans: the Public Employees' Retirement Fund (PERF), the Legislators' Retirement Fund (LRF), the Judges' Retirement Fund (JRF), the Judges' Retirement Fund II (JRF II), and the Volunteer Firefighters' Length of Service Award Fund (VFF); four defined contribution retirement plans: the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), the Public Agency Deferred Compensation Program (IRC 457), the Replacement Benefit Fund (RBF), and the Supplemental Contributions Program Fund (SCPF); two health care plans: the Public Employees' Health Care Fund (HCF) and the Public Employees' Contingency Reserve Fund (CRF); and four other plans: the Public Employees' Long-Term Care Fund (LTCF), the Public Employees' Deferred Compensation Fund (DCF), the Old Age & Survivors' Insurance Revolving Fund (OASI), and the Special Deposit Fund (SDF).

Reporting Entity

The basic financial statements of CalPERS include fund financial statements reporting the financial activities of all of the above funds and assets under trust. The CalPERS Board of Administration has plenary authority and fiduciary responsibility for the investment of monies and the administration of the System pursuant to the State Constitution, Article XVI, Section 17. CalPERS is a unit of the State of California State and Consumer Services Agency; however, CalPERS is not subject to administrative direction by any department, commission, board, bureau, or agency of the State. As such, CalPERS is classified as a component unit of the State of California for financial reporting purposes, in accordance with the provisions of Governmental Accounting Standards Board Statement No. 39.

CalPERS financial statements are included in fiduciary and proprietary funds in the State of California Comprehensive Annual Financial Report.

Defined Benefit Pension Plans

The PERF, LRF, JRF, and JRF II are defined benefit pension plans which provide benefits based on members' years of service, age, final compensation, and benefit formula. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. California Government Code Section 50951 created the VFF as an award system that provides benefits based on members' years of service and age. VFF enrollment, receipt of an award, and service credit shall not be construed as a retirement, retirement allowance or benefit, or as retirement system service credit, respectively. However, for financial statement purposes, the VFF is included as part of the pension trust funds.

The State of California and 1,544 public agencies and schools (representing more than 2,500 entities) contribute to the PERF, JRF, and JRF II, which are agent multi-employer defined benefit pension plans. CalPERS acts as the common investment and administrative agent for the member agencies, including schools (for classified employees). The LRF is a single-employer defined benefit pension plan for the State of California. The VFF is an agent multi-employer defined benefit pension plan with 54 participating fire departments. The VFF provides cities, counties, or districts that have fire departments with volunteer firefighting members the opportunity to offer such members an award for lifelong and faithful volunteer service.

Members of the PERF, LRF, JRF, and JRF II become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service. VFF members become vested after 10 years of credited service and are eligible to receive an award payment at age 60.

Notes to the Basic Financial Statements

The PERF was established in 1932, the LRF in 1947, the JRF in 1937, JRF II in 1994, and the VFF in 1980. As of June 30, 2006 and 2005, the number of affiliated employers for the PERF, LRF, JRF, JRF II, and VFF are as follows:

	2006	2005
Public Employees' Retirement Fund		
State	1	1
School	61	61
Public Agency	1,483	1,462
Total Employers — Public Employees' Retirement Fund	1,545	1,524
Legislators' Retirement Fund	1	1
Judges' Retirement Fund	59	59
Judges' Retirement Fund II	59	59
Volunteer Firefighters' Award Fund	54¹	61

As of June 30, 2006 and 2005, benefit recipients and members in the PERF, LRF, JRF, JRF II, and VFF consisted of the following:

	2006								
	PERF				LRF	JRF	JRF II	VFF	Total
	State	School	Public Agency	Total PERF					
Retirees	138,219	130,317	114,305	382,841	147	1,096	6	128	384,218
Survivors & Beneficiaries	23,893	18,760	15,783	58,436	116	564	7	—	59,123
Members									
Active	239,435	309,582	258,572	807,589	15	751	831	866	809,690
Inactive	77,749	85,329	78,228	241,306	31	74	—	3,307	244,718
Total	479,296	543,988	466,888	1,490,172	309	2,485	844	4,301	1,497,749
	2005								
	PERF				LRF	JRF	JRF II	VFF	Total
	State	School	Public Agency	Total PERF					
Retirees	133,244	126,203	108,729	368,176	156	1,055	2	117	369,506
Survivors & Beneficiaries	23,358	18,341	15,219	56,918	110	551	7	—	57,586
Members									
Active	236,000	300,058	253,137	789,195	14	835	748	402	791,194
Inactive	74,672	80,316	72,799	227,787	33	82	—	3,147	231,049
Total	467,274	524,918	449,884	1,442,076	313	2,523	757	3,666	1,449,335

Note:

¹ The number of participating fire districts declined due to consolidation of reporting entities.

Notes to the Basic Financial Statements

The membership consists of the following categories.

PERF

- *Safety* — includes California Highway Patrol, peace officers, firefighters, and other employees whose principal duties are in active law enforcement or fire prevention and suppression work, or who occupy positions designated by law as safety member positions.
- *Schools* — includes non-teaching, non-certificated school employees.
- *State Industrial* — includes all employees of the Department of Corrections and the California Youth Authority who are not safety members.
- *General* — includes all other members, defined by statute as “miscellaneous” members.

LRF

- State Legislators
- Constitutional Officers
- Legislative Statutory Officers

JRF

- *Judges* — includes Supreme Court, Courts of Appeal, and Superior Courts appointed or elected before November 9, 1994.

JRF II

- *Judges* — includes Supreme Court, Courts of Appeal and Superior Courts appointed or elected on or after November 9, 1994.

VFF

- Volunteer Firefighters

Financing

The benefits for the PERF, LRF, JRF, and JRF II are funded by contributions from members and employers, and earnings from investments. The benefits for the VFF are funded solely by contributions from employers and earnings from investments. Member and employer contributions

for the PERF, LRF, JRF, and JRF II are a percentage of applicable member compensation. Member contribution rates for the PERF, LRF, JRF, and JRF II are defined by law and depend on the respective employer’s benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by State statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the Public Employees’ Retirement Fund, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of active plan members are based on a percentage of salary in excess of a base compensation amount ranging from \$133 to \$863 monthly. For the fiscal year ended June 30, 2006, the required contribution rates for active plan members are as follows.

PERF

State Employees:

Miscellaneous & Industrial	5% or 6%
Miscellaneous & Industrial — Second Tier	0%
Safety	6%
Peace Officers & Firefighters	8%
California Highway Patrol	8%
Classified School Employees	7%
Public Agency Employees	5% to 9%
LRF	0%
JRF	8%
JRF II	8%
VFF	Non-Contributory

These contributions are deposited in a fund established for each entity for the purpose of creating actuarial reserves for future benefits.

All employees in a covered class of employment who work on a half-time basis or more are eligible to participate in the retirement plans. CalPERS administers several different retirement plans, each providing a monthly allowance based on age, years of credited service, the benefit formula, and highest average compensation over an established period of one year to three years. For the VFF, highest average compensation is not a consideration in determining a monthly allowance. All plans provide death and disability

Notes to the Basic Financial Statements

benefits except the VFF, which does not provide disability benefits. Within the PERF, the benefit provisions for the State and school employees are established by statute. The benefits for the public agencies are established by contract with the System, in accordance with the provisions of the Public Employees' Retirement Law. The benefits for the LRF are established in accordance with the provisions of the Legislators' Retirement Law. The benefits for the JRF are established in accordance with the provisions of the Judges' Retirement Law. The benefits for the JRF II are established in accordance with the provisions of the Judges' Retirement System II Law. The benefits for the VFF are established in accordance with the provisions of the Volunteer Firefighters' Length of Service Award Act.

In November 1990, Article IV, Section 4.5 was added to the State Constitution by adopting Proposition 140. This section effectively prohibited future Legislators from earning State retirement benefits for service in the Legislature on or after November 7, 1990, though it recognized vested pension benefits that had accrued before that date.

Due to the effects of Proposition 140, the Legislators' Retirement Fund is in transition. The number of Legislators eligible to participate in the LRF is declining as incumbent Legislators leave office and are replaced by new Legislators who are not eligible to participate in the program. Eventually, the only active members in the fund will be approximately 16 Constitutional Officers (including the Insurance Commissioner and members of the Board of Equalization) and approximately four Legislative Statutory Officers.

Costs of administering the funds are financed through contributions and investment earnings of the funds.

Termination

Upon separation from the retirement plans, accumulated member contributions are refundable, with interest credited through the date of refund, as required by applicable laws. Withdrawal of such accumulated contributions results in forfeiture of the related vested benefits.

In the event that public agencies elect to terminate their contracts with the retirement plans, accumulated member and employer contributions, interest, and the related liability for benefits may be transferred to the employers.

If amounts are not transferred to the employer, sufficient assets required to cover the related liability for benefits are retained in the retirement plans. Excess assets above those required, if any, are returned to the employer, while the employer is billed for any deficiency in assets.

Defined Contribution Plans

SPOFF

The State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF) is a defined contribution pension plan established by Chapter 820 of the 1998 Statutes. The plan is a qualified money purchase pension plan under Section 401(a) of Title 26 of the Internal Revenue Code, and is intended to supplement the retirement benefits provided by the PERF to eligible correctional officers employed by the State of California.

Contributions to the plan are funded entirely by the employer, with a contribution rate of 2 percent of the employee's base pay, not to exceed contribution limits established by the Internal Revenue Code. Contribution requirements are established and may be amended through a Memorandum of Understanding from the State of California Department of Personnel Administration. These contributions, as well as the participant's share of the net earnings of the fund, are credited to the participant's account.

The net earnings of the fund are allocated to the participant's account as of each valuation date, in the ratio that the participant's account balance bears to the aggregate of all participants' account balances. The benefit paid to participants will depend only on the amount contributed to participant's account and earnings on the value of the participant's account. Plan provisions are established and may be amended by statute. At June 30, 2006 and 2005, there were 34,485 and 34,922 participants, respectively.

IRC 457

The Public Agency Deferred Compensation Program (IRC 457) is an Internal Revenue Code Section 457(g) defined contribution plan administered by State Street Bank & Trust Company (acting as an agent of CalPERS) to provide benefits at retirement to public agency employees. Plan participation is voluntary to employees of participating

Notes to the Basic Financial Statements

public agencies, and contributions are separate from the defined benefit contributions made to CalPERS.

Members may contribute up to the limits established under the Internal Revenue Code. At June 30, 2006 and 2005, there were 21,542 and 19,455 participants, respectively, with account balances.

Members of the plan are allowed to change their contribution amount, transfer account balances among 14 investment options, or change the contribution percentages designated to each option on a daily basis. The 14 investment options are: Money Market Fund, Stable Fixed Income Fund, Bond Fund, S&P 500 Equity Index Fund, Active Large Cap Equity Fund, Russell 2000 Index Fund, Active Small Cap Equity Fund, International Equity Fund, Conservative Allocation Fund, Moderate Allocation Fund, Aggressive Allocation Fund, Insured Money Market Account, Certificate of Deposit, and the Self-Managed Options. Members may access their funds upon retirement, separation from employment, or other distributions as allowed under the Internal Revenue Code. The CalPERS Board of Administration has authorization under the Government Code of the State of California to establish plan provisions.

RBF

The Replacement Benefit Fund (RBF) was established by Chapter 938 of the 1995 Statutes and initially funded in 1998 to provide benefits to members of the PERF whose retirement benefit exceeds Internal Revenue Code Section 415(b) limits. IRC Section 415(b) imposes a dollar limit on the annual retirement benefits an individual may receive from a qualified defined benefit pension plan.

The RBF is funded on a “pay-as-you-go” basis. That is, money collected from an employer during any calendar year must be paid to the retiree during that same year. Employer contributions must be in amounts “equivalent to” the benefits not paid as a result of the limitations of IRC Section 415(b). CalPERS calculates the member’s retirement allowance based on the member’s choice of retirement option. CalPERS also is responsible for calculating the applicable dollar limit under IRC Section 415(b), and setting the employer rates. At June 30, 2006 and 2005, there were 91 and 70 retirees, respectively, in the RBF.

SCPF

The Supplemental Contributions Program Fund (SCPF) was established January 1, 2000, by Chapter 307 of the 1999 Statutes, as a separate trust fund for the Supplemental Contributions Program (program), a defined contribution plan that provides supplemental benefits at retirement to members of CalPERS. The program is a qualified plan under Section 401(a) of Title 26 of the United States Code, administered by CalPERS.

Currently, the program is available only to State of California employees who are members of CalPERS. The program is entirely member funded, and participation is voluntary. Participant contributions are made on an after-tax basis and are separate from the defined benefit contributions made to CalPERS. Participants may be able to contribute to a deferred compensation or 401(k) plan in conjunction with the program, if the participant remains within the Internal Revenue Code Section 415(c) limits. Distributions are allowed only at retirement or permanent separation from employment. The CalPERS Board of Administration has authorization under the Government Code of the State of California to establish plan provisions. At June 30, 2006 and 2005, there were 879 and 873 participants in the SCPF, respectively.

Other Funds Administered by CalPERS

OASI

The Old Age & Survivors’ Insurance Revolving Fund (OASI) was established to consolidate the collection and payment for California public agencies of employee and employer contributions under the provisions of the federal Social Security regulations.

Federal legislation was enacted on October 21, 1986, which required direct remittance of Social Security contributions by individual public agencies and eliminates the intermediary collection and remittance of such contributions by individual public agencies and by State Social Security agencies, such as the OASI. As such, effective January 1, 1987, the OASI stopped receiving contributions from public agencies. Since then the OASI fund has operated in the capacity of an intermediary in the reconciliation of past year’s payroll contributions to the

Notes to the Basic Financial Statements

federal government and to reimburse the PERF for OASI contract management services. As reconciliations are completed, amounts will be collected and transmitted to the federal government or returned to the local governments. If any liabilities are owed which the OASI cannot collect, the State of California or the appropriate public agency is responsible for payment.

HCF

The Public Employees' Health Care Fund (HCF) was established under the Public Employees' Medical and Hospital Care Act (PEMHCA) as of July 1, 1988. The self-funded plans, PERS Choice and PERSCare, are risk pools available to all entities that contract for health insurance coverage under PEMHCA. Having all members in a single risk pool spreads catastrophic claims over a large base and minimizes administrative expenses. PERS Choice and PERSCare retain all the risk of loss of allowable health claims. Fund members are not subject to a supplemental assessment in the event of deficiencies. Premium rates for PERS Choice and PERSCare are set by the Board based on a trend analysis of the historic cost, utilization, demographics, and administrative expenses of the HCF to provide for the claims incurred and the actuarially determined required level of reserves.

PERS Choice and PERSCare rely on operating cash flows and investment income to fund health benefit payments. During the 2006 fiscal year, the Board continued to increase member premiums to mitigate the impact of increasing costs associated with enrollment growth, increases in provider pricing, and increased benefit utilization. Management believes that the current sources of funding for PERS Choice and PERSCare will be adequate to provide for benefits of the plans.

Public agencies participating in PERS Choice and PERSCare are required to make periodic premium payments based on rates as established by CalPERS. Plan members pay the difference between the premium rate and the employers' contribution. Administrative costs are financed through investment earnings.

CRF

The Public Employees' Contingency Reserve Fund (CRF) was established in 1962, with the passage of PEMHCA, to fund administrative costs related to the PEMHCA program, and as a contingency reserve for such items as increases in future rates or in future benefits. PEMHCA was expanded to include local public agency employees on a contract basis in 1967. The CRF is reimbursed by the State and contracting public agencies for costs incurred for administering the program.

PEMHCA establishes eligibility rules for the following:

- retirees and beneficiaries receiving health care benefits;
- terminated plan members entitled to but not yet receiving benefits; and
- active plan members.

Administrative costs include direct costs of the program and a proportionate share of indirect costs allocated to the CRF by the PERF. The administrative fee is determined as a percentage of insurance premiums paid by the employers. The administrative fee for the year ended June 30, 2006 and 2005, was 0.30 percent and 0.43 percent, respectively. Contribution rates are reviewed annually and are adjusted, if needed, to cover budgeted administrative costs.

The CRF also collects health care premiums from annuitants whose retirement allowances are not sufficient to pay their total contributions for the health care plans in which they are enrolled. The CRF remits these amounts to the Public Employees' Retirement Fund, which pays the appropriate health care plan.

Public agency employers whose employees do not elect PERS Choice and PERSCare submit the provider-determined, Board-approved premiums to the CRF which, in turn submits the premiums to the respective provider.

At June 30, 2006 and 2005, 1,137 and 1,142 entities participated in health insurance coverage under PEMHCA, respectively.

Notes to the Basic Financial Statements

LTCF

The Public Employees' Long-Term Care Fund (LTCF) began providing self-insured long-term care plans in 1995. The LTCF operates by providing long-term care coverage to enrolled members under the Public Employees' Long-Term Care Act (PERL, Chapter 15). The fund contracts with a third party to administer the program. Long-term care coverage is offered to all public employees (active or retired), their spouses, parents, parents-in-law, and siblings. The LTCF is a member-paid program with no contributions from employers. Premium rates are recommended to the Board by the program actuary and are set by the Board. Prospective enrollees apply directly to the program for long-term care coverage.

As of June 30, 2006, there are 173,935 enrollees and 3,115 participants receiving benefits. As of June 30, 2005, there were 173,807 enrollees and 2,853 participants receiving benefits.

The unrestricted net deficit in the LTCF of \$771.5 million at June 30, 2006, is attributable to an increase in estimated liabilities due to significant growth of inflation-adjusted policies. The LTCF is in the process of reviewing its current policies and exploring different options to address the deficit.

DCF

The Public Employees' Retirement System Deferred Compensation Fund (DCF) accounts for revenues and expenses associated with administrative and investment management services provided to other governments by CalPERS staff. The services provided assist other governments with their administration of deferred compensation plans. Revenues come from fees assessed the State of California Department of Personnel Administration, sponsor of the State of California Savings Plus Program, for managing one investment portfolio, and various State of California public agencies for managing 14 investment portfolios offered in the CalPERS IRC 457 plan. Expenses of the DCF are costs incurred to hire and support the CalPERS staff needed to implement the investment management and administrative services.

The DCF was established by Chapter 1659 of the 1990 Statutes, which added Government Code Sections 21420-21429. These Government Code Sections were subsequently renumbered to Government Code Sections 21670-21685 by Chapter 379 of the 1995 Statutes. Operation and initial funding of the DCF commenced July 1991.

The net assets of the portfolio managed by CalPERS for the State of California Savings Plus Program are not included in the accompanying financial statements.

Financial statements for the portfolio managed by CalPERS for the State of California Savings Plus Program may be obtained by contacting CalPERS.

SDF

The Special Deposit Fund (SDF) is a trust fund in the State Treasury that provides a depository for money which has been received in trust for a specific purpose by a State agency, but for which no other fund has been created to receive those funds. This fund is used by CalPERS, as a retiree prescription drug plan sponsor, to deposit money received from the Centers for Medicare and Medicaid Services (CMS) pursuant to the Part D Retiree Drug Subsidy of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

As a retiree prescription drug plan sponsor, CalPERS is eligible, under Part D guidelines, for a 28 percent subsidy payment based on each qualifying covered retiree's annual allowable prescription drug cost. CalPERS submits qualifying prescription drug expenditures to CMS and, upon approval, receives the reimbursement.

The Board of Administration requested the California Attorney General to render an opinion on the disposition of the moneys residing in the SDF. On November 2, 2006, the Attorney General opined that the Retiree Drug Subsidy funds within the SDF are to be deposited in the Public Employees' Contingency Reserve Fund. As determined by the CalPERS Board of Administration, these funds may be used to offset increases in future premium rates; reduce annuitant and employer contributions, cost containment, or increase benefits with respect to those funds that generate the Retiree Drug Subsidy.

Notes to the Basic Financial Statements

2. Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting & Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

The accounts of CalPERS are organized and operated on the basis of funds. CalPERS has the following fund types at June 30, 2006.

Fiduciary funds — including pension trust and agency funds, account for assets held by the government in a trustee capacity or as an agent on behalf of others. The pension trust funds (PERF, LRF, JRF, JRF II, VFF, SPOFF, IRC 457, RBF, and SCPF) are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Member contributions for the PERF, LRF, JRF, and JRF II are recognized in the period in which the contributions are due. Employer contributions for the PERF, LRF, JRF, JRF II, SPOFF, and RBF are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits under the defined benefit plans and refunds are recognized when due and payable in accordance with the terms of each plan. The agency funds (OASI and SDF) are custodial in nature and do not measure the results of operations. Assets and liabilities are recorded using the accrual basis of accounting.

Proprietary funds — including enterprise funds (LTCE, DCF, HCF, and CRF) are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. CalPERS applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations, and follows FASB pronouncements as appropriate.

Operating revenues and expenses are distinguished from non-operating items and generally result from providing services in connection with ongoing operations. The principal operating revenues of the HCF, CRF, LTCE, and DCF are derived from self-insurance premiums and providing administrative services. Operating expenses include the cost

of claims and related administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

GASB Statement No. 40

In March 2003, the GASB issued Statement No. 40, Deposit and Investment Risk Disclosures (GASB Statement 40). The provisions of GASB Statement 40 are effective for financial statements for periods beginning after June 15, 2004. GASB Statement 40 modifies previous custodial credit risk disclosure requirements and establishes more comprehensive disclosure requirements relating to other common risks of investment, such as credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. CalPERS has implemented the provisions of GASB Statement 40 for the fiscal years ended June 30, 2006 and 2005.

GASB Statement No. 44

In May 2004, the GASB issued Statement No. 44, Economic Condition Reporting: the Statistical Section. The provisions for GASB Statement 44 are effective for financial statement statistical sections for periods beginning after June 15, 2005. GASB Statement 44 is intended to improve the understandability and usefulness of supplementary information in the statistical section. The objective of the statistical section information is to provide the users with additional historical perspective, context, and detail to the financial statements. Financial trend, debt capacity, demographic and economic, and operating information is displayed with 10-year trends in the statistical section. CalPERS has implemented the provisions of GASB Statement 44 for the fiscal year ended June 30, 2006.

Investments

As a result of Proposition 162 (State Constitution, Article XVI, Section 17), the CalPERS Board of Administration has plenary authority and fiduciary responsibility for the investment of monies. CalPERS invests in stocks, bonds, mortgages, real estate, alternative, and other investments. Alternative investments include two components: direct investments and partnerships. CalPERS maintains certain deposits, cash equivalents, and other investments with financial institutions.

Notes to the Basic Financial Statements

All investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. Many factors are considered in arriving at fair value. In general, corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in certain restricted common stocks are valued at the quoted market price of the issuer's unrestricted common stock, less an appropriate discount. Investments held in internal investment pools have been reported at fair value.

Mortgages are valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investments, principally rental property subject to long-term net leases, is estimated based on independent appraisals. Short-term investments are reported at market value, when available, or at cost plus accrued interest, which approximates market value when market values are not available. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, has determined the fair values for the individual investments.

There are certain market risks, credit risks, liquidity risks, foreign currency exchange risks, and event risks which may subject CalPERS to economic changes occurring in certain industries, sectors, or geographies.

Derivatives

Under the State Constitution and statutory provisions governing CalPERS investment authority, CalPERS, through its outside investment managers, holds investments in futures and options and enters into forward foreign currency exchange contracts. Futures and options with fair values of approximately negative \$248.2 million and negative \$393.2 million are held for investment purposes and included within the financial statements at June 30, 2006 and 2005, respectively. Gains and losses on futures and options are determined based upon quoted market values and recorded in the Statement of Changes in Fiduciary Net Assets.

Due to the level of risk associated with certain derivative investment securities, it is reasonably possible that changes

in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign securities. At June 30, 2006 and 2005, CalPERS has approximately negative \$248.2 million and \$393.2 million net exposure to loss from forward foreign currency exchange transactions related to the approximately \$51 billion and \$43 billion international debt and equity portfolios, respectively.

CalPERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. CalPERS anticipates that the counterparties will be able to satisfy their obligations under the contracts.

Capital Assets

Capital assets are defined by CalPERS as assets with an initial individual cost of \$5,000 or more, and an estimated useful life in excess of one year.

Capital assets held by the PERF, consisting of buildings, furniture, and equipment, are recorded at cost or, if donated, at their estimated fair market value at the date of donation. Capital assets are depreciated over their estimated useful lives, ranging from one to five years for furniture and equipment and 40 years for buildings, using the straight-line method of depreciation.

The CalPERS Board of Administration authorized approximately \$265.0 million for the construction of additional headquarters space. The construction of the additional headquarters space was completed during the 2006 fiscal year. During the 2006 fiscal year, \$31.6 million was disbursed for building construction.

Actuarial Valuation

The information included in the required supplemental schedules is based on the actuarial valuations performed as of June 30, 2005, which is the latest available information.

Notes to the Basic Financial Statements

Significant actuarial assumptions used in the valuations are included in the notes to the required supplemental schedules.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and net assets held in trust for pension benefits and changes therein, IBNR, claims payable, and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates.

3. Cash & Cash Equivalents

Cash and cash equivalents of approximately \$409.9 million and \$275.4 million in 2006 and 2005, respectively, represent amounts held in the CalPERS general operating accounts with the State Treasury. These monies are not individually identifiable by fund, as they are pooled with the monies of other State agencies and invested by the State Treasurer's Office.

4. Investments

For the years ended June 30, 2006 and 2005, State Street Bank & Trust Company was the master custodian for significantly all of the securities of CalPERS, however, certain securities are held by alternative investment managers. Real estate deeds of trust are held in the name of Limited Liability Corporations and Partnerships. The investments held by LRF, JRF II, VFF, SCPE, and LTCF have been commingled in internally managed investment pools. The investment pools are an internally managed domestic equity pool, an internally managed debt securities pool, and an international equity securities pool managed by State Street Bank & Trust Company. Each of the five funds has a different asset allocation based on Board-approved policy.

For the 2005-06 fiscal year, CalPERS continues to follow disclosure requirements of the Governmental Accounting Standards Board Statement 40. In accordance with GASB Statement 40, CalPERS discloses investments of all CalPERS managed funds that are subject to certain risks:

custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

GASB Statement 40 investment risk disclosures begin on page 47, disclosing the investments subject to the various risks for the PERF and all other affiliate funds.

Securities Lending

The State Constitution and CalPERS Board policies permit CalPERS to use investments of the PERF to enter into securities lending transactions; collateralized loans of securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. CalPERS has contracted with Boston Global Advisors (BGA), Credit Suisse (CS), State Street Bank & Trust (SSB), and Metropolitan West Securities, LLC (Met West) as third-party securities lending agents to lend domestic and international equity and debt securities. Additionally, CalPERS contracts with eSecLending as an administrative agent for CalPERS principal borrowers.

Domestic and international securities are collateralized for cash at 102 percent and 105 percent, respectively, of the securities market value. Management believes CalPERS has minimized credit risk exposure to borrowers by requiring the borrower to provide collateralization greater than 100 percent of the market value of the securities loan. The securities loaned are priced daily.

In the event that a borrower fails to return the securities or fails to remit income distributions by the securities' issuers to CalPERS while the securities are on loan, the agent is responsible for the associated costs. Securities on loan can be recalled on demand by CalPERS, and loans of securities may be terminated by CalPERS or the borrower. CalPERS may enter into term loan agreements which are evaluated on an individual basis.

The cash collateral is invested in accordance with CalPERS investment guidelines in short-term, high-credit quality fixed income securities. CS, Met West, and CalPERS manage the cash collateral. Met West matches the duration of the collateral to the duration of the loans, whereas CS and CalPERS do not, since the loans associated with the collateral they manage are terminable at will. For the year

Notes to the Basic Financial Statements

ended June 30, 2006, the cash collateral invested by CS, Met West, and CalPERS in short-term securities had weighted average maturities of 413 days, 108 days, and 497 days, respectively, and durations of 43, 11, and 32 days, respectively.

Real Estate

Real estate investments are classified as investments in accordance with GASB Statement 25. Certain real estate investments are leveraged whereby partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt. At June 30, 2006, real estate equities of approximately \$28,679,057,000 are reported at estimated gross fair market value. Of this amount \$15.2 billion is equity and \$13.4 billion is debt.

Required repayment of real estate debt is as follows.

(Dollars in Thousands)

Year Debt Matures	Amount
2006	\$245,046
2007	2,187,923
2008	3,254,746
2009	810,811
2010-2014	3,649,617
2015-2019	3,299,935
Grand Total	\$13,448,078

Other Investment Income

Total other investment income earned by CalPERS in the 2006 fiscal year is \$767.4 million. This total consists of income from securities litigation, sale of fractional shares, other miscellaneous income earned across all other investment portfolios, amortization income earned in the fixed income portfolios, \$2.4 million from the directed brokerage program, and \$523.7 million resulting from a redistribution of income from the change in the net asset value of our real estate investments.

The following investment risk schedules disclose CalPERS investments subject to certain types of risk, pursuant to GASB Statement 40. Each schedule discloses investments of all funds managed by CalPERS subject to each type of risk. Some securities are held in internally-managed investment pools shared by all funds. Securities held in the SCPF, IRC 457, and SPOFF are excluded from these schedules because the investments are self-directed by participants.

Custodial Credit Risk

CalPERS does not have any funds or deposits that are not covered by depository insurance, which are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in CalPERS name. Nor does CalPERS have any investments that are not registered in the

CalPERS — Debt Security Investments Subject to Interest Rate Risk

(Dollars in Thousands)

Debt Security Type	Market Value June 30, 2006	Percent of All Debt Securities	Portfolio Weighted Average Effectuated Duration (Years)
U.S. Treasuries & Agencies	\$13,612,123	25.7%	9.25
Mortgages	17,213,403	32.4	4.69
Corporate	14,478,104	27.3	8.52
Asset Backed	1,424,437	2.7	3.43
International	5,634,777	10.6	6.61
Not Rated ¹	702,405	1.3	N/A
Total	\$53,065,249	100.0%	

Note:

¹ Securities held in externally-managed investment pools, or in default.

Notes to the Basic Financial Statements

name of CalPERS and are either held by the counterparty or the counterparty's trust department or agent, but not in CalPERS name.

Concentration of Credit Risk

CalPERS does not have investments in any one issuer which represent 5 percent or more of total fair value of all investments.

Interest Rate Risk

The risk changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolios using the effective duration or option-adjusted methodology. The System's investment policies require the option-adjusted duration of the total fixed income portfolio to stay within 20 percent of the option-adjusted duration of its benchmark (Lehman Brothers Long Liabilities). All individual portfolios are required to maintain a specified level of risk relative to their benchmark. Risk exposures are monitored daily. These are reported grouped by effective duration ranges.

Foreign Currency Risk

Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The System's asset allocation and investment policies allow for active and passive investments in international securities. The System's target allocation is to have 33 percent of total global equity assets invested in international equities and 11.5 percent of total fixed income invested in international securities. Real estate and AIM do not have a target allocation for international investments. The System uses a currency overlay program to reduce risk by hedging approximately 25 percent of the developed market international equity portfolio. Currency exposures are monitored daily.

Notes to the Basic Financial Statements

CalPERS

Investment securities of all CalPERS managed funds that are subject to foreign currency risk.

International Investment Securities — At Fair Value at June 30, 2006

(U.S. Dollars in Thousands)

	Equity	AIM	Fixed Income	Real Estate	Currency Overlay	Cash	Total
Currency							
Australian Dollar	\$2,017,996	\$16,609	\$130,886	\$11,966	\$429	\$56,585	\$2,234,469
Brazilian Real	488,239	—	—	—	—	2,559	490,799
Canadian Dollar	2,132,622	48,692	564,352	64,916	1,343	18,934	2,830,860
Chilean Peso	54,743	—	—	—	—	540	55,283
Czech Koruna	22,727	—	—	—	—	459	23,187
Danish Krone	232,817	650	258,790	—	—	7,296	499,553
Euro Currency	13,370,769	646,231	2,157,027	—	24,029	297,859	16,495,914
Hong Kong Dollar	1,036,910	—	—	28,560	1,015	15,768	1,082,253
Hungarian Forint	164,716	—	37,767	—	—	823	203,306
Indian Rupee	318,918	—	—	—	—	866	319,784
Indonesian Rupiah	98,508	—	—	—	—	—	98,508
Israeli Shekel	175,751	—	—	—	—	1	175,752
Japanese Yen	8,399,158	16,753	882,210	48,563	5,494	125,205	9,477,383
Malaysian Ringgit	183,663	—	—	—	—	494	184,158
Mexican Peso	336,092	—	103,665	—	—	4,250	444,007
New Taiwan Dollar	790,079	—	—	—	—	8,706	798,785
New Turkish Lira	222,230	—	—	—	—	415	222,645
New Zealand Dollar	46,818	—	—	—	—	1,868	48,686
Norwegian Krone	343,330	—	132,545	—	—	5,167	481,042
Philippine Peso	77,294	—	—	—	—	101	77,395
Polish Zloty	82,673	—	92,588	—	—	116	175,377
Pound Sterling	8,237,039	584,942	1,005,766	—	12,591	127,594	9,967,932
Singapore Dollar	367,016	—	117,832	20,454	(2)	17,845	523,145
South African Rand	589,995	—	8,236	—	—	2,106	600,337
South Korean Won	1,070,638	—	32,396	—	—	1,813	1,104,847
Sri Lanka Rupee	359	—	—	—	—	—	359
Swedish Krona	882,064	—	6,044	—	1,242	24,484	913,833
Swiss Franc	2,363,136	318	—	—	—	15,600	2,379,055
Thailand Baht	100,185	—	—	—	—	398	100,583
Total Securities Subject to Foreign Currency Risk	\$44,206,487	\$1,314,195	\$5,530,102	\$174,459	\$46,141	\$737,853	\$52,009,237

Notes to the Basic Financial Statements

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policies establish general as well as specific risk measures for the fixed income portfolio. From the most general perspective, 90 percent of the total fixed

income portfolio must be invested in investment-grade securities. Investment-grade securities are those fixed income securities with a Moody's rating of AAA to BAA or a Standard & Poors rating of AAA to BBB. Each portfolio is required to maintain a specified risk level. Portfolio exposures are monitored daily.

CalPERS

Debt investment securities of all CalPERS managed funds at market value that are subject to credit risk.

CalPERS — At Market Value Subject to Credit Risk

(Dollars in Thousands)

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Total Debt Security Investments
AAA	\$32,976,230	62.1%
AA1	4,386,313	8.3
AA3	148,549	0.3
A1	18,924	0.0
A2	51,020	0.1
A3	3,269,508	6.2
BAA1	8,997,832	17.0
BAA2	153,629	0.3
BAA3	107,220	0.2
BA1	639	0.0
B1	1,859,310	3.5
CA	65,231	0.1
Not Rated ¹	1,030,844	1.9
Total	\$53,065,249	100.0%

Note:

¹ Securities that do not have a Moody's Quality Rating.

Notes to the Basic Financial Statements

Net (depreciation) appreciation in the fair value of investments for the years ended June 30 was as follows.

(Dollars in Thousands)

	PERF		LRF		JRF II		VFF		SPOFF	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Realized Gain on Sale of Investments	\$12,800,093	\$4,246,292	\$1,940	\$4,886	\$2,736	\$3,686	\$18	\$57	\$1,518	\$715
Appreciation in Fair Value of Investments	3,821,404	11,771,165	1,864	7,034	11,418	10,692	172	172	16,561	15,858
Net Appreciation (Depreciation) in Fair Value of Investments	\$16,621,497	\$16,017,457	\$3,804	\$11,920	\$14,154	\$14,378	\$190	\$229	\$18,085	\$16,573

Due to the types of investments held by the JRF, RBF, CRF, and DCF, there was no appreciation (depreciation) in fair value of investments in those funds for the years ended June 30, 2006 or 2005. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments. Realized gains and losses of the current period include unrealized amounts from prior periods.

Notes to the Basic Financial Statements

Net (depreciation) appreciation in the fair value of investments for the years ended June 30 was as follows.

(Dollars in Thousands)

	IRC 457		SCPF		HCF		LTCF		Totals	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Realized Gain on Sale of Investments	\$12,697	(\$1,710)	\$473	\$303	\$7	(\$268)	\$45,584	\$99,486	\$12,865,066	\$4,353,447
Appreciation in Fair Value of Investments	17,889	13,405	1,290	1,585	72	(18)	63,074	17,757	3,933,750	11,837,650
Net Appreciation (Depreciation) in Fair Value of Investments	\$30,586	\$11,695	\$1,763	\$1,888	\$79	(\$286)	\$108,658	\$117,243	\$16,798,816	\$16,191,097

Notes to the Basic Financial Statements

5. Contributions & Reserves

Employer Contributions Actuarially Determined & Contributions Made

Employer contributions are calculated as a percentage of employer payroll. The payroll for employees covered by the PERF, LRF, JRF, and JRF II in 2006 was approximately \$37.6 billion, \$1.9 million, \$122.4 million, and \$121.3 million, respectively.

The PERF and JRF II use a Modified Entry Age Normal Actuarial Cost Method, which is a projected benefit cost method. That is, the method takes into account those benefits that are expected to be earned in the future, as well as those already accrued.

According to this cost method, the normal cost for an employee pension liability is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. The Entry Age Normal Actuarial Cost Method used by the PERF and JRF II is modified by CalPERS so that the employers' total normal cost is expressed as a level percentage of payroll. The PERF and JRF II use the level percentage of payroll method to amortize any unfunded actuarial liabilities.

The VFF uses the Unit Credit Actuarial Cost Method as the basis for its valuation. The LRF and JRF use the Aggregate Actuarial Cost Method as the basis for their valuations.

The significant actuarial assumptions used in the 2005 valuations to compute the actuarially determined contribution requirements for the PERF, JRF II, and VFF are the same as those used to compute the actuarial accrued liability.

Assumptions used in the actuarial valuations are included in the Notes to Required Supplemental Schedules.

Restrictions on Net Assets Available for Benefits

Included in the Net Assets Held in Trust for Pension Benefits is a restricted reserve that, by law, is retained in the PERF and LRF as a reserve against deficiencies in interest earned, potential losses under investments, court-mandated costs, and actuarial losses resulting from terminations, mergers, or dissolutions of contracting agencies. This reserve cannot

exceed 0.2 percent of total assets of the PERF and the LRF, and totaled approximately \$432.7 million and \$399.5 million as of June 30, 2006 and 2005, respectively.

PERF

Actuarial valuations of the PERF are performed annually. The last valuation was performed as of June 30, 2005, for the State, schools, and public agencies.

The total 2005 net retirement contributions for the PERF amounted to approximately \$9.2 billion, of which \$6.1 billion (the actuarially determined annual required contribution) came from 1,545 employers and approximately \$3.1 billion came from nearly 808,000 members. Normal cost is 10.356 percent of covered payroll, and amortization of the unfunded liabilities is 4.746 percent of covered payroll. These figures are averages for all employers. The actual figures vary by each employer's plan.

LRF

The current contribution requirements of the LRF are based on actuarially determined rates promulgated as part of legislation passed in 1977.

Actuarial valuations of the LRF are required to be carried out at least every two years. The Board of Administration utilizes these actuarial valuations to make recommendations to the State for financing the Fund. For the fiscal year ending June 30, 2006, there was no statutory contribution required based on the June 30, 2004 valuation.

JRF

Contributions made by the State of California to the JRF are made pursuant to State statute and are not actuarially determined; however, an actuarial valuation of the JRF assets and liabilities is performed every year and is used by CalPERS to make recommendations for financing the JRF.

The California law which states that on and after January 1, 2004, the JRF shall be funded and actuarially sound was amended in conjunction with the adoption of the Judges' Retirement System II Law, which, among other provisions, eliminated the requirement that the JRF be

Notes to the Basic Financial Statements

funded and actuarially sound. Recommendations to achieve the necessary level of contributions have been submitted by the CalPERS Board to the Legislature.

As of June 30, 2006, funding was provided from the following sources to meet benefit payment requirements.

- **Member Contributions** — 8 percent of applicable member compensation.
- **Employer Contributions** — 8 percent of applicable member compensation.
- **Filing Fees** — Varying amounts depending on fee rate and number of filings.
- **Investments** — Current yield on short-term investments.
- **State of California “Balancing Contributions”** — An amount required by the Judges’ Retirement Law, at least equal to the estimated benefits payable during the ensuing fiscal year less the sum of 1) the estimated member contributions during the ensuing fiscal year and; 2) net assets available for benefits at the beginning of the fiscal year.

Under the pay-as-you-go basis, short-term investments as well as contributions received during the year are used to make benefit payments. Management and legal counsel believe the State of California is legally required to provide these required contributions to fund the benefits.

For the year ended June 30, 2006, the actual contributions made by the State to the JRF were approximately \$120.6 million, which is significantly less than the actuarially determined annual required contribution of approximately \$194.9 million.

Because current contributions are used to make benefit payments, the fund does not retain the accumulated contributions of active members. The cumulative contributions of all currently active members since inception were approximately \$135.4 million and \$135.6 million at June 30, 2006 and 2005, respectively, which exceeded Net Assets Held in Trust for Pension Benefits by approximately \$117.5 million and \$118.3 million at June 30, 2006 and 2005, respectively.

JRF II

Actuarial valuations for the JRF II are required to be carried out annually. The legislated State contribution rate will be adjusted periodically as part of the annual Budget Act in order to maintain or restore the actuarial soundness of the fund. The last actuarial valuation was performed as of June 30, 2005.

For the year ending June 30, 2006, the statutory employer contribution rate was 19.848 percent based on the June 30, 2004 actuarial valuation. Therefore, for the year ended June 30, 2006, the contributions made by the State to the fund were approximately \$24.1 million, which is slightly less than the actuarially determined required contributions of approximately \$25.5 million.

VFF

The current contribution requirements of the VFF are based on actuarially determined rates promulgated as part of the Volunteer Firefighters’ Length of Service Award Act passed in 1979.

Actuarial valuations of the VFF are required to be carried out at least every two years. The last valuation was performed as of June 30, 2005. The Board of Administration utilizes these actuarial valuations to make recommendations for financing the fund.

Contributions for prior service credits are recognized as revenue by VFF at the time a contract with the participating agency is executed. The participating agency may elect to pay the contributions for prior service credits in a lump sum or over a period of up to 10 years.

6. Commitments

At June 30, 2006, CalPERS total capital commitments to private equity funds was \$32.6 billion. Of this amount, \$13.8 billion remained unfunded and is not recorded on the CalPERS balance sheet.

At June 30, 2006, CalPERS total commitments to purchase real estate equity was \$746.7 million.

Notes to the Basic Financial Statements

7. Contingencies

CalPERS has entered into agreements with a number of issuers of non-taxable debt to provide payment of principal and interest in the event of non-payment. CalPERS is paid a quarterly fee over the term of the agreement for each transaction. The majority of the transactions are supported by collateral, letters of credit from banks or bond insurers for repayment. As of June 30, 2006, the credit enhancement program had contingent liabilities of approximately \$562 million and net fee income of approximately \$1.4 million.

CalPERS is a defendant in litigation involving individual benefit payment and participant eligibility issues and arising from its normal activities. In the event of an adverse decision, any payments awarded by the courts would be recovered by CalPERS through prospective adjustments to the employer contribution rate. Based upon consultation with legal counsel, management believes there will be no material adverse effect on the basic financial statements as a result of the ultimate outcome of these matters.

8. Health Care Fund

Basis for Estimated Liabilities

The Public Employees' Health Care Fund (HCF) establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been "incurred but not reported" (IBNR). The estimated claims liability was calculated by Blue Cross, the HCF's third-party administrator, at June 30, 2006, using a variety of actuarial and statistical techniques and adjusted for actual experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The estimated claims liability of \$159.1 million is carried at its face amount, and no interest discount is assumed. The IBNR portion represents an estimate for claims that have been incurred prior to June 30, 2006, but have not been reported to the HCF.

Anticipated Investment Income

Anticipated investment income is not included in the calculation of the annual premium requirement for HCF members.

Reinsurance

The HCF has not entered into any reinsurance or excess insurance agreements.

9. Long-Term Care Fund

The Public Employees' Long-Term Care Fund (LTCF) estimate of the funding level to provide for the payment of future claim benefits is predicated upon participation levels that are expected to be achieved by the program. The premiums from the LTCF are recognized during the period covered.

The LTCF establishes the liability for future policy benefits based on the present value of future benefits and expenses less the present value of future premiums. The liability for future policy benefits was calculated by the fund's actuary, using a variety of actuarial and statistical techniques as part of their actuarial review as of June 30, 2006. Certain key assumptions used in this calculation are a discount rate of 7.79 percent (the average rate of assumed investment yields in effect for the current year), morbidity, disability continuance, mortality, voluntary termination, and claims expense. The total estimated liability for future policy benefits as of June 30, 2006, was \$2.5 billion. Of that amount, \$108.4 million is expected to be paid in fiscal year 2007 and is included in current liabilities.

Notes to the Basic Financial Statements

The following represents changes in the aggregate estimated claims liabilities of the HCF for the years ended June 30.

(Dollars in Thousands)

	PERSCare/PERS Choice	
	2006	2005
Total Estimated Claims at Beginning of Fiscal Year	\$159,403	\$132,876
Incurred Claims & Claim Adjustment Expenses:		
Provision for Insured Events of the Current Fiscal Year	\$1,202,409	\$1,083,011
Decrease in Provision for Insured Events of Prior Years	(70,990)	(56,953)
Total Incurred Claims & Claim Adjustment Expenses	\$1,131,419	\$1,026,058
Payments:		
Claims & Claim Adjustment Expenses Attributable to Insured Events of the Current Year	\$1,043,346	\$923,608
Claims & Claim Adjustment Expenses Attributable to Insured Events of the Prior Fiscal Year	88,413	75,923
Total Payments	\$1,131,759	\$999,531
Total Estimated Claims at End of the Fiscal Year	\$159,063	\$159,403

Required Supplemental Schedules

Required Supplemental Schedule of Funding Progress

(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
PERF						
6/30/96	\$94,230	\$96,838	\$2,608	97.3%	\$22,322	11.7%
6/30/97	108,566	97,925	(10,641)	110.9	22,504	(47.3)
6/30/98	128,830	106,938	(21,892)	120.5	24,672	(88.7)
6/30/99	148,605	115,748	(32,857)	128.4	27,636	(118.9)
6/30/00	162,439	135,970	(26,469)	119.5	28,098	(94.2)
6/30/01	166,860	149,155	(17,705)	111.9	30,802	(57.5)
6/30/02	156,067	163,961	7,894	95.2	32,873	24.0
6/30/03	158,596	180,922	22,326	87.7	34,784	64.2
6/30/04	169,899	194,609	24,710	87.3	35,078	70.4
6/30/05	183,680	210,301	26,621 ¹	87.3	36,045	73.9
LRF						
6/30/96	\$94.2	\$105.2	\$11.0	89.5%	\$4.8	229.2%
6/30/97 ²	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	N/A	N/A	N/A	N/A	N/A	N/A
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	N/A	N/A	N/A	N/A	N/A	N/A
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A
JRF						
6/30/96	\$12.5	\$1,460.1	\$1,447.6	0.9%	\$153.8	941.0%
6/30/97 ²	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	N/A	N/A	N/A	N/A	N/A	N/A
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	N/A	N/A	N/A	N/A	N/A	N/A
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A

Required Supplemental Schedule of Funding Progress (continued)

(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
JRF II						
6/30/96	\$2.388	\$2.813	\$0.425	84.9%	\$8.1	5.3%
6/30/97	7.242	7.906	0.664	91.6	15.4	4.3
6/30/98	15.120	15.043	(.077)	100.5	33.9	(0.2)
6/30/99	27.155	26.921	(.234)	100.9	40.0	(0.6)
6/30/00	40.503	41.619	1.116	97.3	43.0	2.6
6/30/01	55.955	60.933	4.979	91.8	61.5	8.1
6/30/02	71.929	76.459	4.530	94.1	72.8	6.2
6/30/03	96.107	105.116	9.009	91.4	87.3	10.3
6/30/04	129.153	137.704	8.551	93.8	99.0	8.6
6/30/05	167.556	177.761	10.205	94.3	111.8	9.1
VFF						
6/30/96	\$1.078	\$0.934	(\$0.144)	115.4%	N/A	N/A
6/30/97	1.360	1.121	(0.239)	121.3	N/A	N/A
6/30/98	1.678	1.500	(0.178)	111.8	N/A	N/A
6/30/99	1.987	1.805	(0.182)	110.1	N/A	N/A
6/30/00	2.302	2.296	(0.006)	100.3	N/A	N/A
6/30/01	2.524	2.183	(0.341)	115.6	N/A	N/A
6/30/02	2.310	2.453	0.143	94.2	N/A	N/A
6/30/03	2.786	3.206	0.420	86.9	N/A	N/A
6/30/04	2.975	3.525	0.550	84.4	N/A	N/A
6/30/05	3.212	3.651	0.439	88.0	N/A	N/A

Notes:

- ¹ The Unfunded Actuarial Accrued Liability (net assets in excess of the total Actuarial Liability) of the PERF by major employer group from the June 30, 2005 valuation is as follows: 1) \$14,791 for the State of California, 2) \$2,530 for schools, and 3) \$9,300 for public agencies.
- ² Beginning with the June 30, 1997 valuation, actuarial valuations were performed using the Aggregate Cost Valuation Method, which does not identify unfunded actuarial liabilities. Prior to the June 30, 1997 valuation, actuarial valuations were performed using the Aggregate Entry Age Normal Cost Valuation Method.

Required Supplemental Schedule of Employer Contributions

Year Ended June 30	PERF Employer Contributions		LRF Employer Contributions	
	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made
1997	\$2,285,043,412 ¹	147% ²	\$1,933,367	127.8% ³
1998	2,289,526,403	100	2,022,421	33.4
1999	1,598,316,666	100	— ⁴	N/A
2000	362,614,344	100	— ⁴	N/A
2001	321,618,855	100	— ⁴	N/A
2002	800,964,553	100	— ⁴	N/A
2003	1,925,043,858	100	— ⁴	N/A
2004	4,261,347,422	100	— ⁴	N/A
2005	5,774,120,281	100	— ⁴	N/A
2006	6,095,029,424	100	— ⁴	N/A

Notes:

- ¹ Employer contributions to the PERF are shown net of the reduction in actuarially determined contributions resulting from the usage of A.B. 702 credits of approximately \$323,000 in 1997.
- ² Includes \$1.2 billion payment resulting from a court ruling of the S.B. 240 lawsuit (*Board of Administration v. Wilson*) which was appealed by the State and denied review by the California Supreme Court in May 1997. The Annual Required Contribution for 1997 is not affected by this payment.
- ³ Includes additional contributions made in arrears. The Annual Required Contribution is not affected by this payment.
- ⁴ Based on the June 30, 2003, 2002, 2001, 2000, 1999, 1998, and 1997 actuarial valuations, the annual required contributions for the years ended June 30, 2006, 2005, 2004, 2003, 2002, 2001, 2000, and 1999 were \$0.

Required Supplemental Schedule of Employer Contributions (continued)

JRF Employer Contributions		JRF II Employer Contributions		VFF Employer Contributions	
Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made
\$133,373,900	38.1%	\$2,956,457	102.4%	\$162,880	100%
133,754,812	42.0	5,339,054	102.2	166,708	100
139,537,660	60.6	7,297,687	100.8	124,291	100
138,895,276	53.3	7,419,121	100.6	202,395	100
162,054,610	56.2	9,572,604	101.9	193,530	100
163,772,915	39.9	11,147,294	112.0	93,889	100
189,781,088	51.9	16,640,312	92.1	497,076	100
194,487,295	55.2	18,207,531	100.2	223,224	100
189,949,846	66.9	22,819,881	92.9	211,043	100
194,927,817	61.9	25,477,158	94.5	1,296,137	100

Notes to Required Supplemental Schedules

1. Actuarial Information

The information presented in the required supplemental schedules was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation is as follows.

	PERF	LRF	JRF	JRF II	VFF
Valuation Date	June 30, 2005	June 30, 2005	June 30, 2005	June 30, 2005	June 30, 2005
Actuarial Cost Method	Individual Entry Age Normal Cost	Aggregate Cost Method	Aggregate Cost Method	Aggregate Entry Age Normal Cost	Unit Credit
Amortization Method	Level Percentage of Payroll Closed	None ²	None ²	Level Percentage of Payroll Closed	Fixed Years
Remaining Amortization Period	29 Years for Schools, Average of 20 Years for Public Agencies, and 23 to 28 Years for the State Plans	None ²	None ²	Average of 29 Years	30 Years
Asset Valuation Method	Smoothing of Market Value	Smoothing of Market Value	Market Value	Smoothing of Market Value	Smoothing of Market Value
Actuarial Assumptions:					
Net Investment Rate of Return	7.75%	7.00%	7.00%	7.25%	7.50%
Projected Salary Increases ¹	Varies, Based on Duration of Service	3.25%	3.25%	3.25%	None
	2% or 3% for State and Schools	3.00%	3.25%	3.00%	None
Post Retirement Benefit Increase	Depending on Plans System Varies 2% to 5% for Public Agencies				
¹ Includes Inflation at:	3.00%	3.00%	3.00%	3.00%	N/A

² The Aggregate Cost Method does not identify or separately amortize unfunded actuarial liabilities.

Required Supplemental Schedule of Claims Development Information

The table on the next page illustrates how the HCF earned revenues and investment income compared to related costs of loss and other expenses assumed by the HCF as of the end of each of the years presented. The rows of the table are defined as follows.

- 1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues.
- 2) This line shows each fiscal year's other operating costs of the HCF, including overhead and claims expense not allocable to individual claims.
- 3) This line shows the HCF's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
- 4) This section shows the cumulative amounts paid as of the end of successive years for each policy year.
- 5) This section shows how each policy year's incurred claims changed as of the end of successive years. This annual re-estimation results from new information received on known claims, as well as emergence of new claims not previously known.
- 6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

Required Supplemental Schedule of Claims Development Information (continued)

Public Employees' Health Care Fund — June 30, 2006

(Dollars in Thousands)

	Fiscal & Policy Year Ended			
	1997	1998	1999	2000
1. Net Earned Required Contribution & Investment Revenues	\$340,596	\$359,466	\$396,255	\$472,233
2. Unallocated Expenses	\$29,796	\$26,873	\$37,869	\$35,780
3. Estimated Incurred Claims & Expenses, End of Policy Year	\$333,530	\$339,123	\$402,578	\$537,181
4. Paid (Cumulative) as of:				
End of Policy Year	\$262,248	\$269,645	\$327,336	\$443,109
One Year Later	312,932	316,528	373,345	498,607
Two Years Later	312,932	316,528	373,345	498,607
Three Years Later	312,932	316,528	373,345	498,607
Four Years Later	312,932	316,528	373,345	498,607
Five Years Later	312,932	316,528	373,345	498,607
Six Years Later	312,932	316,528	373,345	498,607
Seven Years Later	312,932	316,528	373,345	—
Eight Years Later	312,932	316,528	—	—
Nine Years Later	312,932	—	—	—
5. Re-estimated Incurred Claims & Expenses:				
End of Policy Year	\$333,530	\$339,123	\$402,578	\$537,181
One Year Later	312,932	316,528	373,345	498,607
Two Years Later	312,932	316,528	373,345	498,607
Three Years Later	312,932	316,528	373,345	498,607
Four Years Later	312,932	316,528	373,345	498,607
Five Years Later	312,932	316,528	373,345	498,607
Six Years Later	312,932	316,528	373,345	498,607
Seven Years Later	312,932	316,528	373,345	—
Eight Years Later	312,932	316,528	—	—
Nine Years Later	312,932	—	—	—
6. Decrease in Estimated Incurred Claims & Expenses From End of Policy Year	(\$20,598)	(\$22,595)	(\$29,233)	(\$38,574)

Required Supplemental Schedule of Claims Development Information (continued)

Public Employees' Health Care Fund — June 30, 2006

(Dollars in Thousands)

Fiscal & Policy Year Ended					
2001	2002	2003	2004	2005	2006
\$581,015	\$747,491	\$947,492	\$1,048,042	\$1,115,172	\$1,229,239
\$41,180	\$43,926	\$50,296	\$58,182	\$65,902	\$67,679
\$599,337	\$684,425	\$854,648	\$940,503	\$1,083,011	\$1,202,409
\$495,466	\$562,894	\$722,732	\$807,627	\$923,608	\$1,043,346
554,361	628,405	800,605	883,550	1,012,021	—
554,361	628,405	800,605	883,550	—	—
554,361	628,405	800,605	—	—	—
554,361	628,405	—	—	—	—
554,361	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
\$599,337	\$684,425	\$854,648	\$940,503	\$1,083,011	\$1,202,409
554,361	628,405	800,605	883,550	1,012,021	—
554,361	628,405	800,605	803,550	—	—
554,361	628,405	800,605	—	—	—
554,361	628,405	—	—	—	—
554,361	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
(\$44,976)	(\$56,020)	(\$54,043)	(\$56,953)	(\$70,990)	\$ —

Supporting Schedules

Administrative Expenses — All Funds

(Dollars in Thousands)

Personnel Services

Salaries & Wages	\$103,777
Employee Benefits	33,506

Total Personnel Services **\$137,283**

Consultant & Professional Services

State of California Agencies	\$2,923
External Consultants	58,865
Health Plan Administrator Fees	59,872
Deferred Compensation Management/Custody Fees	79
Long-Term Care Administrator Fees	16,236

Total Consultant & Professional Services **\$137,975**

Operating Expenses & Equipment

General Expense	\$5,032
Software	2,167
Printing	2,408
Postage	2,926
Communications	2,243
Data Processing Services	12,318
Travel	1,957
Training	1,807
Medical Examiners	7,182
Facilities Operation	4,072
Central Administrative Services	7,001
CSUS Foundation - Students	2,620
Administrative Hearings	275
Consolidated Data Center	905
Equipment	198

Total Operating Expenses & Equipment **\$53,111**

Other Expenses & Adjustments

Depreciation Expense	\$7,131
Increase in Paid Absence Obligation	861
Reimbursements	(1,580)
Prior Year & Other Adjustments	4,908

Total Other Expenses & Adjustments **\$11,320**

Total Administrative Expenses — All Funds **\$339,689**

Investment Expenses

Public Employees' Retirement Fund

(Dollars in Thousands)

External Securities Management Fees & Other Fees

	Net Assets Managed at Fair Value	Fees		Net Assets Managed at Fair Value	Fees
External Domestic Equity Managers			External Domestic Fixed Income Managers		
Alliance Cap Mgt. LP/Sanford C. Bernstein SW5I	\$690,128	\$655	Highland Capital Distressed, LP SW8F	\$222,732	\$2,136
Atlantic Asset Management Partners SWAN	342,325	339	ING Ghent Asset Management, LLC SW7X	—	1,397
Barclays Global Advisers SWCN	1,086,437	790	L.M. Capital Ventures SW4X	179,496	268
CalPERS Hedge Fund Partners SW8A	709,450	960	Nomura Corporate Research & Asset Mgt. SW7Y	—	2,087
Denali Advisors, LLC SW4S	161,449	410	Pacific Investment Mgmt. Company, LLC SW7W	—	1,902
Enhanced Investment Technologies SWAY	1,258,891	894	Smith Breeden Associates SWAS	579,602	563
Franklin Advisors, Inc. SW8P	522	570	Total External Domestic Fixed Income Managers		\$8,353
Franklin Portfolio Associates SWAX	940,543	928	Global Equity Managers		
Geewax, Terker & Company SW2B	513,291	511	Arcadian Asset Management SWCJ	\$1,062,741	\$555
Golden-Large Core Investments SW4L	129,477	217	Alliance Bernstein, LP SWCA	604,957	101
Golden-Large Value Investments SW4M	231,949	915	Alliance Bernstein, LP SWCD	536,551	196
Golden-Small Core Investments SW4J	137,934	520	Alliance Bernstein Institutional Inv. SW8N	1,533,852	1,854
Goldman Sachs Small CAP SWAW	464,115	485	AQR Capital Management, LLC SWCO	1,037,659	895
J.P. Morgan SW5G	77	125	Arrowstreet Capital, LP SW6M	928,856	1,005
Legato Capital Management Ventures SWCY	—	153	Arrowstreet SW4D	160,456	173
Osprey Partners SW5H	—	118	Artisan Partners, LP SW6O	2	40
Pacific Alternative Asset Management Co. SWAB	—	135	Axa Rosenberg SW5L	1,179,484	1,740
Philippe Investment Management SWAQ	—	314	Baillie Gifford Overseas Limited SW6N	982,706	1,089
Progress Putnam Lovell SW4A	—	974	Barclays Global Investors SW9J	1,172,562	1,211
Pzena Investment Mgrs., LLC SW5F	675,108	1,385	Baring International Investment Limited SW9I	946,046	596
Quantitative Management Associated SWAU	931,877	905	Capital Guardian SW5M	641,830	532
Relational Investors SW2R	1,034,753	5,383	Dimensional Fund Advisors SW7I	1,507,414	4,170
Rigel Capital, LLC Large Cap SW9U	188,823	772	Genesis Asset Managers SW8O	1,503,359	2,837
Rigel Capital, LLC Small-Mid Cap SW9V	1,306,543	263	Grantham, Mayo, Van Otterloo & Co., LLC SW6J	927,172	647
Shamrock Governance Fund, LP SWB2	75,094	529	New Star Institutional Managers, LTD SWCB	556,673	303
Shenandoah Asset Management SW4N	139,272	443	Nomura Asset Management USA, Inc. SJ25	1,051,370	955
Shenandoah Asset Management SWCW	25,609	63	Northroad Capital Investments SWAD	138,810	810
Smith Asset Management Group Large Cap SW9X	209,525	658	Pareto Partners (Currency Forwards) SJ70	(104,335)	2,370
Smith Asset Management Group Small Cap SW9Y	110,300	433	Pyrford Investments SW4V	132,957	928
Smith Graham & Company SW7O	143,362	490	Robeco USA, LLC SW6E	511,890	464
Strategic Investments SW4G	—	1,156	Sparx Value Creation Fund SW7H	627,884	1,659
Strategic Ventures SW4H	—	109	State Street Bank (Currency Forwards) SW1D	(76,405)	1,088
Stux Investment SWAH	236,638	687	State Street Bank SW6A, SW7G & SWDG	13,372,263	2,289
The Boston Company Asset Management, LLC SW2E	663,391	700	Total Global Equity Managers		\$28,507
Timeless Investments SW8V	94,087	1,076	Global Fixed Income Managers		
UBS Alternative and Quantitative Inv. SWAG	1,685,261	4,706	Baring Asset Management SJ28	\$978,589	\$675
Westcap Investors SW7M	—	242	Bridgewater Associates SW5D	1,271,403	867
Western Asset Management Company SWAZ	586,286	570	Julius Baer Invest Management, Inc. SJ83	1,271,142	813
Total External Domestic Equity Managers		\$30,583	Rogge Global Partners SW5B	1,675,431	918
			Western Asset Global Management SW5E	1,369,381	498
			Total Global Fixed Income Managers		\$3,771
			Total External Securities Management Fees & Other Fees		\$71,214

Investment Expenses (continued)

(Dollars in Thousands)

External Securities Management Performance Fees

	Net Assets Managed at Fair Value	Fees
External Domestic Equity Managers		
Enhanced Investment Technologies SWAY	\$1,330	
Pacific Alternative Asset Mgmt. Co. (Hedge) SWAB	162	
Progress Putnam Lovell SW4A	310	
Pzena Investment Mgrs., LLC SW5F	2,273	
Quantitative Management Associates SWAU	747	
Strategic Investments SW4G	1,652	
UBS Alternative and Quantitative Inv. SWAG	248	
Western Asset Management Company SW5E	36	
Total External Domestic Equity Managers	\$6,758	

Global Equity Managers

Alliance Bernstein Institutional Inv. SW8N	\$11,757	
Arrowstreet SW4D	100	
Axa Rosenberg SW5L	2,783	
Grantham, Mayo, Van Otterloo & Company SW6J	2,780	
Nomura Asset Management SJ25	523	
Total Global Equity Managers	\$17,943	

Global Fixed Income Managers

Bridgewater Associates SW5D	\$2,695	
Julis Baer SJ83	329	
Rogge Global Partners SW5B	719	
Western Asset Management Company SWAZ	470	
Total Global Fixed Income Managers	\$4,213	

Total External Securities Management Performance Fees \$28,914

Total External Securities Management Fees, Performance Fees & Other Fees \$100,128

Real Estate Partners Asset Management Fees

	Net Assets Managed at Fair Value	Fees
Aetos Capital Asia	\$94,649	\$4,597
AEW Capital Management	171,253	1,964
Apollo Real Estate Advisers	7,073	852
Black Bear, LTD	10,366	2,721
Bridge Urban	53,873	231
Buchanan Street Advisors, LP	227,213	1,471
Capri Capital Management	54,420	512
CBRE Strategic Partners	35,293	1,072
CIM Urban Fund Group, LLC	388,905	9,427
CityView America Fund I, LLC	55,937	1,208
CWP Capital Advisory, LLC	126,101	3,748
DB Global	49,347	804
DIVCO	9,962	737
Eastern Shopping Center	2,127	141

Real Estate Partners Asset Management Fees

	Net Assets Managed at Fair Value	Fees
Filmore East Fund	\$16,942	\$273
Fortress Investment Fund	123,426	1,296
General Investment & Development	50,426	1,257
Global Innovation Partners	533,568	3,128
Global Retail Investors, LLC	3,172	14
Guggenheim	30,704	951
Hampshire	28,077	594
Hearthstone Housing Partners	197,722	4,794
Hines National Office Partnership (Includes Intl.)	609,096	7,229
Institutional Housing Partners	463,206	15,141
Institutional Mall Investors, LLC	1,311,026	7,263
JER Europe Fund III	(4,225)	32
Kennedy Associates	43,226	228
Kennedy Wilson	13,860	367
KSC	810	38
La Salle (Includes International)	3,361,796	11,863
La Salle French Fund II	7,568	511
MacFarlane/Weyerhaeuser	441,923	31,219
MPG	22,474	6,258
Meriweather Farms	51,449	589
Olympic Realty Advisors	140,013	10,987
Pacific Vineyard	73,143	1,039
Pacific City Homes	83,624	5,631
Pical	891	1
Prudential (PLA Residential)	131,914	2,251
Residential	27	2,316
Rockpoint Group, LLC	5,725	694
RREEF (Includes CalSmart)	1,815,133	12,162
San Diego Smart Growth	6,183	261
Secure Capital - Japan	99,304	1,988
Shaddock Hammond Senior Housing	182,058	2,484
Shea (Capital/Mountain)	145,165	14,636
SSR	1,670,170	72,268
Starwood Capital Hospitality Fund I	54,813	992
Stockbridge Real Estate	(1,573)	508
Strategic Capital Partners, LLC	1,523	750
UBS Brinson	130,895	963
Wells Fargo Housing Fund	78,506	4,401
Total Real Estate Partners Asset Management Fees		\$256,862

Real Estate Partners Incentive Fees \$393,418

Credit Enhancement Program \$530

AIM Distributed Stock Management Fees \$1,967

Internal Mortgage Loan Fees \$1,283

Total Real Estate Partners, AIM, Mortgages & CEP \$654,060

Investment Expenses (continued)

(Dollars in Thousands)

Other Investment Consultants

	Net Assets Managed at Fair Value	Fees
Consultant Fees		
Adcom Media		\$6
ATV Video Center, Inc.		27
Bard Consulting		68
Blackrock	1,272	
Blackrock Financial Management, Inc.	3,799	
Blomquist & Company	104	
Carbon Disclosure Project	45	
Charles River Development	794	
Courtland Partners, Ltd.	50	
Delegata	170	
Eagle Management Group	8	
Embassy Suites Hotel - Monterey Bay	13	
Fairmont Hotel	99	
Fan Asset Management	23	
Fiderion Financial Services Group, LLC	539	
Fitch Training	16	
Frank Russell Company	10	
FTSE	10	
Garland Associates, Inc.	18	
KPC Consulting Group	1,308	
KPMG	66	
Le Plastrier Consulting Group, Inc.	20	
Oracle USA, Inc.	141	
Oxford Analytica	499	
Pacific Corporate Finance	824	
Parent General Pension Consultants	1,109	
Pension Consulting Alliance, Inc.	2,092	
PricewaterhouseCoopers, LLP	618	
Pyramid Technical Consultants, LLC	239	
R.V. Kuhns & Associates, Inc.	60	
Results Group	56	
RG & Associates, Inc.	148	
Ridgeway Partners, LLC	97	
Roberta Reagan, Inc.	70	
Sextant Search Partners	75	
Softsol Resources, Inc.	67	
Stanfield Systems, Inc.	85	
State Street Bank & Trust Company	908	
State Street - Private Edge	1,082	
Strategic Investment Solutions	37	
Strategic Investment Solutions, Inc.	22	
Trinity Technology Group, Inc.	585	
Verite	260	
Westwood Consulting Group	80	
Wilshire Associates, Inc.	2,804	
Total Consultant Fees		\$20,423

Other Investment Consultants

	Net Assets Managed at Fair Value	Fees
Attorneys & Master Custodian		
Bingham McCrutchen		\$12
Chapman Cutler		225
Christensen, Miller, Fink, Jacobs, Glaser		187
Covington & Burling		140
Cox, Castle & Nicholson, LLP		908
Felderstein, Willoughby, Pascuzzi, LLP		27
Foster, Pepper & Shefelman, PLLC		281
Gardner, Carton, & Douglas, LLP		63
McDonough, Holland, & Allen		594
Morgan Lewis		206
Murphy, Austin, Adams & Schoenfeld, LLP		338
Orrick, Herrington, & Sutcliffe, LLP		580
Paul, Hastings, Janofsky & Walker		409
Pillsbury Winthrop		1,420
Preston, Gates & Ellis		589
Tory's, LLP		27
State Street Bank & Trust Company		7,815
Total Attorney & Master Custodian Fees		\$13,821
Total Other Investment Consultants		\$34,244
Miscellaneous Investment Expenses		\$127,243
Directed Brokerage Expenses		\$3,391
Total Investment Expenses - PERF		\$919,066

Other Funds

Investment Expenses

	Net Assets Managed at Fair Value	Fees
Brown Capital Management - IRC 457		\$73
CalPERS Management Services - IRC 457		593
CitiStreet - IRC 457		1,458
Calif. Dept. of Personnel Admin. - IRC 457		116
State Street Global Advisors - SPOFF		1,591
Total Investment Expenses - Other Funds		\$3,831
Total Investment Expenses - All Funds		\$922,897

Consultant & Professional Services Expenses — PERF

(Dollars in Thousands)

Individual or Firm	Fee	Nature of Service
Trinity Technology Group, Inc.	\$2,911	Enterprise Modeling & Mgmt. Business Intelligence Initiative; CDB Health Object Modeling & Data Structure Support
Medstat Group	1,961	Health Care Decision Support System
State Controller's Office	1,712	Expedite Processing Fees; Combined Warrant Services; Calif. Leave Acctg. System
Intraform	1,237	Board Elections Services
Softsol Resources, Inc.	961	Conversion Tool & Application Development Resources for CDB Conversion
Princeton Solutions Group, Inc.	948	Corporate Database Java Architecture Support & Release Manager
Delegata	938	Oracle Application Server Services
ADSI, Inc.	804	Support of Application System Support; Data Administration; Health Support
Software AG, Inc.	795	Annual Member Statements; Backbridge Decommissioning Project
Kearnford Application Systems Design	687	Maintenance Programming Services (PowerBuilder APPS)
Mercer Human Resource Consulting	646	Health Benefit, Medical Mgmt. & Pharmaceutical Benefit Mgmt. Consulting
Business Advantage Consulting	611	Requirements Analysis Services; Business Analysis Support
Eclipse Solutions, Inc.	597	Pension System Resumption Project Management Services; Enterprise Web Strategy
Mayer Hoffman McCann, PC	537	Construction Audit
Visionary Integration, Inc.	459	Requirements Analysis Services for PSR Project
Department of Justice	433	Attorney General Fees
Oracle USA, Inc.	422	Oracle Database Administration Support
Lussier, Vienna, Gregor & Associates	419	Federal Legislative Representative
Steptoe & Johnson, LLP	391	Tax Counsel
Paul, Hastings, Janofsky, Walk	348	Real Estate & AIM Technology Program
PM/CM Services, Inc.	344	Construction Project Management for Offsite Parking Project
Shooting Star Solutions, LLC	343	Alternative Procurement Project Oversight
Information Technology SW Professional	332	PeopleSoft Technical Resource Upgrade; Programming Services
Buck Consultants, LLC	292	360 Degree Leadership Development Program
Covansys	276	Corporate Database Environment Support; Oracle Support
Pillsbury Winthrop	266	AIM & PSR Project
Deloitte & Touche	261	Audit Services; Health Benefits Consulting
Saber Consulting, Inc.	244	Death Benefits Workflow Project
Murphy Austin Adams Schoenfeld, LLP	232	Board Legal Services for R Street Project
NetWorks Corporation	229	Radia Software Maintenance
CGI-AMS FDBA Synergy Consulting, Inc.	228	Employer & Participant Application Developer; T-Log & ACES Process Support
Comsys	227	Mainframe Systems Administrator
Global Access, LLC Total	221	Oracle Database Access Support; Actuarial Valuation Database Support
Gabriel, Roeder, Smith Company	210	Annual Valuation System; Proprietary Software Support
KT Consulting	207	Consulting Services for Retirement Planning
GOVSEC, Inc.	199	Information Security Office Consulting Services
Martin & Chapman Company	194	Board Election Ballots
Firestar Productions	191	Video Productions
Spherion Pacific Enterprises, LLC	187	ACES & Oracle Database Access Support
Roberta Reagan, Inc.	179	Legacy System Support; Mainframe Enhancement
KPMG, LLP	175	Contracting Process Improvement Project
Tek Systems, Inc.	172	Member Self-Services Database Support
Coach Source	158	Leadership Development
Cooperative Personnel Services	156	Facilities Support Feasibility Analysis Project; Human Resources Services Project
Stealth Network Communication	155	Interactive Voice Response; Technical Assessment Research
Wright On-Line Systems	155	Oracle Support for Computer Telephony Integration Database
Roberta Almeida	151	RIBS Legacy Support Pre- and Post-Retirement Death Benefits Processes
Mara Consulting, Inc.	150	Maintenance Programming Services for Legacy Mainframe Applications
Preston, Gates & Ellis	148	Health Care Services Audit
EFI Actuaries	139	Asset Allocation Workshop; Actuarial Auditing Services
Two Shea Consulting, Inc.	138	Annual Member Statements
Stanford Systems, Inc.	132	Data Center Support; Mainframe Systems & 3rd Party Software Administrator

Consultant & Professional Services Expenses — PERF (continued)

(Dollars in Thousands)

Individual or Firm	Fee	Nature of Service
Vantage Consulting Group, Inc.	\$126	Application Architect for Forte Migration Project Support
Regents of the University	123	Training Courses
RUSSBO, Inc.	122	Requirements Analysis for Pension System Resumption Project (PSR)
Engage Intefrated Systems Technology	119	Disaster Recovery Planning Services
CJS Consulting, Inc.	112	Legacy Mainframe Applications
RAPIDIGM, Inc.	111	PeopleSoft Financials Support
Financial Finese	107	Financial Planning Education Services
American General Financial Advisors, Inc.	105	Financial Planning Education Services
Leading Resources, Inc.	105	Strategic Planning, Organizational Change Mgmt. & Leadership Development
Turner Construction	104	BP 6 Furniture
Systems Consulting Consortium, Inc.	104	Strategic Information Systems Plan
ABLTEK, Inc.	102	Maintenance Programming Services for Powerbuilder Applications
Vignasoft Information Technologies, Inc.	100	PeopleSoft Upgrade/HR Developer; Production Support Agile IT Support
Michael Consulting Group	88	Survey and Research Services
Sacramento Municipal Utility District	79	On-Site & Off-Site Network Line Extension for the R Street Project
Kong Consulting, Inc.	75	Consulting Services for PeopleSoft Financials Upgrade
Intersoft Systems & Program, Inc.	73	Maintenance Programming Services for Legacy Mainframe Applications
Office Workouts	69	Employee Wellness Programs
Viaspire	68	Writing and Editing Services
Innovative Software Technologies	61	Actuarial Valuation System Maintenance Programming Services
McDonough, Holland & Allen	60	Outside Legal Counsel for R Street Project
Adcom Media	59	Video Production Services
DSS Research, Inc.	59	Member Satisfaction Survey
Watson Wyatt Worldwide	51	Recruiting Services
State Personnel Board	48	Consolidated Examination Services
R & G Associates, LLC	47	Consulting Services - IPOC for EMBARC Project
Herman, Mathis, Casey, Kitchens & Gerel, LLP	47	Audit Contract
Kendall Concepts	46	Production Services
Foley & Lardner	44	Outside Health Counsel
ATV Video Center, Inc.	39	Audio Visual Support Services
Eagle Management Group	38	CalPERS Exhibition Booth Maintenance
DSP Network, Inc.	37	Disaster Recovery
Peters Shorthand Reporting	35	Court Reporting
Nolte & Associates, Inc.	34	R Street Project
The Hoyt Company	33	Transportation Services
Cedar Enterprises Solutions, Inc.	32	Application, Business Analysis & Enhancement
Advanced Programming Institute	29	Data Administration Maintenance & Project Support; Data Modeling Support
Excel Bonds & Insurance Services, Inc.	29	Off-Site Improvement Bond for Sacramento City
AON Consulting	28	Health Actuarial & Health Benefits Consulting
Weber Shandwick Worldwide	28	Communications, Public Affairs & Outreach Services
Los Rios Community College	27	Student Assistance Resources
Dee Hansford Consulting	26	All Staff Training
Runyon, Saltzman & Einhorn, Inc.	26	Writing & Editorial Services
Access Data Corporate	26	PeopleSoft Training, Issue Resolution, Data Cleanup & Preparation for Upgrade
Sheehan Associates	24	Communications, Public Affairs & Outreach Services
Dolamont Consulting, Inc.	22	Consulting Services
Access Enterprise	22	PeopleSoft Training, Issue Resolution, Data Cleanup & Preparation for Upgrade
Other	109	
Total Consultant & Professional Services Expenses	\$27,566	

Investment Section

We are \$200 billion strong and our goal is to achieve long-term, sustainable, risk-adjusted returns.

Chief Investment Officer's Letter



Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749

June 30, 2006

The Board of Administration of the California Public Employees' Retirement System:

On behalf of CalPERS Investment Operations, I am pleased to present reports on the pension fund's investments, California investments, our investment performance, and investment-related fees and costs for the period ended June 30, 2006. This data was compiled by our Investment Operations staff, our pension consultant Wilshire Associates, and our master custodian State Street Bank & Trust. It is presented in accordance with statutes found in the Retirement Law. We voluntarily follow the CFA Institute performance and ethics standards.

We earned an 11.8 percent return (net of fees) on our investments for the one-year period ended June 30, 2006, raising our portfolio market value to a record \$212.1 billion.

We exceeded industry benchmarks in five of eight major investment portfolios during the fiscal year, and added approximately \$2.8 billion to the fund, mainly by taking advantage of developing market opportunities. Our strong performance marked the third straight year we earned double-digit returns. Our average annual investment return over the last 10 years is 9 percent.

At the end of the fiscal year, 61.2 percent of our portfolio was invested in public equity, 24.5 percent in bonds and other fixed income, 7.2 percent in real estate, 5.7 percent in private equity, and 1.4 percent in cash equivalents.

We continued to invest in the State of California, providing a strong economic boost for California's growth. At the end of the year, we had more than \$26 billion invested or committed for investment in California entrepreneurial businesses, real estate, housing, urban infill, and stocks and bonds in corporations that make California their home.

We enhanced our diversity outreach to emerging investment managers during the year to ensure that we were working with the broadest possible investment talent, perspectives, and experiences. We also implemented a number of environmental initiatives aimed at achieving positive financial returns, while fostering sustainable growth and sound environmental practices.

And finally, in the area of corporate governance, we continued significant efforts to improve executive compensation practices, as well as the transparency of environmental data. In addition, we launched an independent investigation into allegations of stock option backdating at more than 80 companies, we signed the United Nations Principles for Responsible Investment — a menu of possible global actions on environmental, social, and corporate issues — and we barred investments in nine companies until the government of Sudan halts the genocide.

A handwritten signature in cursive script that reads "Russell Read".

Russell Read
Chief Investment Officer

California Public Employees' Retirement System
Lincoln Plaza-400 Q Street-Sacramento, CA

Summary of Investments — PERF

As of June 30, 2006

Category	Book Value	Market Value	% of Investments at Market Value
Cash Equivalents & Receivables/Payables			
Domestic Cash Equivalents	\$2,116,177,528	\$2,117,248,374	1.01%
International Cash Equivalents			
Cash Equivalents	23,128,287	23,128,287	0.01
International Currency	729,524,298	736,680,812	0.35
Total International Cash Equivalents	\$752,652,585	\$759,809,099	0.36%
Net Investment Receivables/Payables	(\$2,194,932,526)	(\$2,194,932,526)	(1.04%)
Total Cash Equivalents & Receivables/Payables	\$673,897,587	\$682,124,947	0.32%
Debt Securities			
Domestic Debt Securities			
Asset-Backed	\$4,373,388,341	\$4,373,539,620	2.08%
Corporate	13,424,753,724	13,261,520,686	6.31
U.S. Treasuries & Agencies	10,866,162,234	10,496,221,987	5.00
Direct Loans	224,789,651	207,731,431	0.10
Mortgage Loans	348,109,022	349,714,490	0.17
Mortgage-Backed Securities			
CMO	3,526,977,596	3,438,717,943	1.64
FHLMC	8,778,764,021	8,416,123,182	4.01
FNMA	6,126,478,220	5,871,432,891	2.80
GNMA I/GNMA II	103,728,335	99,535,718	0.05
Total Domestic Debt Securities	\$47,773,151,144	\$46,514,537,948	22.16%
International Debt Securities	\$5,404,862,896	\$5,511,715,880	2.63%
Total Debt Securities	\$53,178,014,040	\$52,026,253,828	24.79%
Equity			
Domestic Equity	\$51,044,585,869	\$85,018,854,822	40.41%
International Equity	\$34,677,984,090	\$44,868,328,687	21.49%
Alternate Investment Management Program			
Direct Component Investments			
Co-Investments	174,490,343	95,534,384	0.05
Direct Investments	271,370,799	219,255,213	0.10
Investment Vehicles	2,152,620,289	1,800,350,506	0.86
Limited Partnership Investments			
Domestic	9,602,434,420	9,154,538,843	4.36
International	703,278,021	775,468,543	0.37
Total Alternate Investment Management Program	\$12,904,193,872	\$12,045,147,489	5.74%
Total Equity	\$98,626,763,831	\$141,932,330,998	67.64%
Real Estate Programs			
Domestic Real Estate	\$10,607,321,074	\$14,486,124,392	6.90%
International Real Estate	708,681,787	744,853,862	0.35
Total Real Estate Programs	\$11,316,002,861	\$15,230,978,254	7.25%
Total Investment Value	\$163,794,678,319	\$209,871,688,027	100.00%

Note:

Differences between Total Investment Value in the Summary of Investments and Total Investments shown on page 30 are due to differences in reporting methods. In accordance with GASB Statement No. 28, the financial statements include Securities Lending Collateral as part of Total Investments, which is not included here. The Summary of Investments also includes Net Investment Receivables/Payables that are not reported on page 30 in Total Investments.

Investment Performance — PERF

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Fund based on performance calculations made by the Fund's custodian, State Street Bank & Trust. The 1-year, 3-year, 5-year, and 10-year time-weighted rates of return for the year ended June 30, 2006, are:

CalPERS Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	10-Year Return	Index	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Total Fund	11.8%	13.8%	7.5%	9.0%	Asset Allocation Policy Index ¹	10.9%	12.5%	6.7%	8.3%
					Actuarial Rate	7.8%	7.8%	7.9%	8.1%
					Trust Universe Comparison Service (TUCS) Public Fund Median	9.4%	11.4%	6.3%	8.3%
					Wilshire Large Fund Universe Median	10.7%	12.2%	6.6%	8.4%
Domestic Equity	9.6%	12.4%	3.7%	8.6%	PERS Wilshire 2500 Tobacco-Free Index	9.5%	12.4%	3.5%	8.3%
International Equity ²	26.7%	24.3%	9.8%	7.6%	PERS SSGA Custom Index	27.7%	25.3%	11.2%	7.6%
Alternative Investments/ Private Equity	19.8%	19.1%	7.1%	— %	Venture Economics Custom Young Fund Universe	19.6%	15.1%	2.0%	— %
Total Equity	15.9%	16.8%	6.0%	8.8%					
Domestic Debt Securities	(1.3%)	3.6%	6.5%	7.4%	Lehman Long Liability Index	(3.1%)	2.3%	6.0%	7.0%
International Debt Securities	(0.2%)	5.3%	9.8%	5.2%	Lehman World Government Bond, Ex-U.S.	0.2%	5.1%	9.7%	5.0%
Total Debt Securities	(1.1%)	3.9%	7.1%	7.2%					
Real Estate	25.8%	26.6%	18.3%	15.3%	NCREIF Property Index ³	18.7%	15.8%	12.0%	12.4%
Cash Equivalents	4.4%	2.6%	2.5%	4.2%	Custom Short-Term Investment Fund ⁴	4.2%	2.4%	2.2%	3.9%

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

Additional information on CalPERS investment policies, operations, investment results, and detailed asset information can be found in the accompanying 2006 Operations Summary and on the CalPERS Web site.

Notes:

¹ The Asset Allocation Policy Index return equals the return for each asset class benchmark, weighted at the current target asset allocations.

² Includes currency overlay.

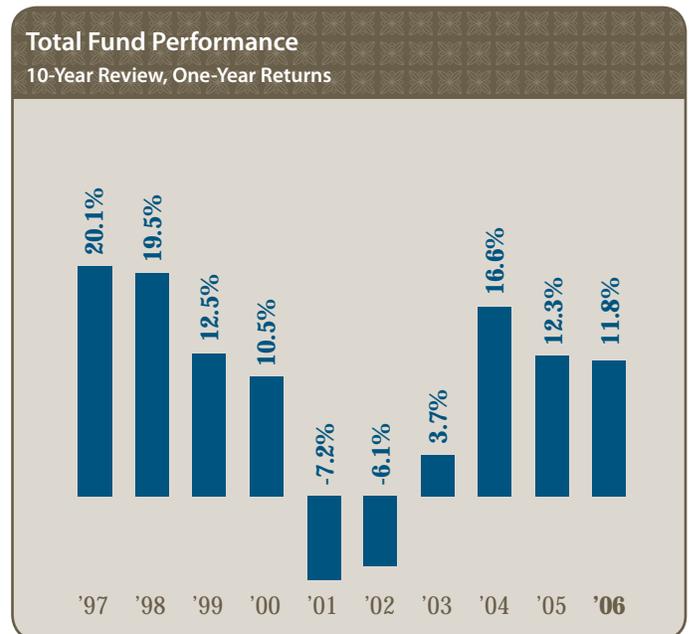
³ The National Council of Real Estate Investment Fiduciaries Index is on a quarter lag.

⁴ The Custom STIF Policy Index is a custom index maintained by SSGA.

CalPERS Asset Allocations — PERF

(Dollars in Billions)

Asset Class	Market Value	Current Allocation	Current Year Target ¹	Prior Year Target
Cash Equivalents	\$2.9	1.4%	0.0%	0.0%
Global Debt Securities	\$52.0	24.5%	26.0%	26.0%
Equity				
Domestic	\$85.0	40.0%	40.0%	40.0%
International	44.9	21.2	20.0	20.0
Alternative Investments/Private Equity	12.1	5.7	6.0	6.0
Total Equity	\$142.0	66.9%	66.0%	66.0%
Total Real Estate	\$15.2	7.2%	8.0%	8.0%
Total Fund	\$212.1²	100.0%	100.0%	100.0%



Notes:

¹ Target allocation effective January 1, 2006.

² Differences between investment values above and the values on the Summary of Investments on page 77 are due to differences in reporting methods. The Summary of Investments includes Net Investment Receivables/Payables.

Portfolio of California Investments at Market Value — PERF

(Dollars in Millions)

Category	California Investments
Real Estate	\$8,354.6
Equity	
Alternative Investment Management/Partnership Component	\$1,900.0
Domestic Equity	12,477.0
International Equity	—
Total Equity	\$14,377.0
Debt Securities	
Domestic Debt Securities	
Corporate/Treasury Bonds	\$492.6
Mortgages & Commercial (Whole Loans/MBS)	2,794.1
External Managed	—
Total Domestic Debt Securities	\$3,286.7
International Debt Securities	\$ —
Total Debt Securities	\$3,286.7
Cash & Cash Equivalents	\$ —
Total California Investments	\$26,018.3

Largest Stock & Bond Holdings at Market Value¹ — PERF

Largest Stock Holdings

(Dollars in Thousands)

Rank	Company	Shares	Market Value
1	Exxon Mobil Corporation	30,995,656	\$1,901,583
2	General Electric Company	53,935,396	1,777,711
3	Microsoft Corporation	53,990,857	1,257,987
4	Citigroup, Inc.	25,764,719	1,242,890
5	Bank of America Corporation	21,926,568	1,054,668
6	Johnson & Johnson	15,698,429	940,650
7	Wal-Mart Stores, Inc.	19,356,659	932,410
8	Pfizer, Inc.	36,563,929	858,155
9	Procter & Gamble Corporation	15,276,074	849,350
10	J.P. Morgan Chase & Company	19,800,061	831,603

Largest Bond Holdings

(Dollars in Thousands)

Rank	Company	Par Value	Market Value
1	United States Treasury Bonds 5.375% due 02/15/31	\$1,149,900	\$1,170,207
2	Federal Home Loan Mortgage Corporation 5.5% due 12/01/99	755,000	724,977
3	United States Treasury Bonds 6.125% due 08/15/29	637,000	708,497
4	United States Treasury Bonds 7.125% due 02/15/23	517,500	619,235
5	United States Treasury Bonds 8.0% due 11/15/21	456,740	584,244
6	United States Treasury Bonds 7.25% due 08/15/22	391,500	472,423
7	Federal National Mortgage Association 6.5% due 12/01/99	447,000	449,305
8	Federal Home Loan Mortgage Corporation 5.0% due 12/01/99	473,000	441,701
9	United States Treasury Notes 4.0% due 11/15/12	449,600	422,835
10	Federal Home Loan Mortgage Corporation 4.875% due 11/15/13	436,515	419,893

A complete list of portfolio holdings is available upon request.

Note:

¹ CalPERS no longer produces a separate Annual Investment Report. All the information previously included in that separate volume is now contained in this report and the accompanying Operations Summary. A complete listing of portfolio holdings is available on the CalPERS Web site at www.calpers.ca.gov.

Schedule of Commissions & Fees — PERF

(Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission & Fees Amount	Broker	Number of Shares Traded	Base Commission & Fees Amount
Lehman Brothers, Inc.	2,119,301,477	\$13,502	HSBC Bank, PLC	26,158,576	\$186
Citigroupglobal Markets, Inc.	1,237,500,150	2,358	Kleinwortbenson Securities, Ltd.	13,008,834	184
Morgan Stanley Company, Inc.	3,963,330,072	1,708	Prudential Equity Group	6,218,781	181
Citigroupglobal Markets, Ltd.	10,610,535,817	1,537	Macquarie Securities, Ltd.	32,146,797	179
Merrill Lynch, Pierce Fenner & Smith	402,518,776	1,503	HG Asia Securities (Phil), Inc.	62,193,600	177
Goldman Sachs & Company	10,788,489,440	1,470	Jones & Associates, Inc.	7,720,194	177
Investment Technology Group, Ltd.	171,884,223	1,399	Deutsche Equities In Private, Ltd. DB	6,257,660	177
Great Pacific Securities Trading	52,397,046	1,355	Nesbitt Burns	6,171,100	171
Nomura Securities, International, Inc.	181,931,952	1,212	Capital Institutional Services, Inc., Equities	6,241,258	168
Investment Technology Group, Inc.	61,775,907	1,098	Warburg Dillon Read Securities	40,711,418	166
Instinet	41,327,232	1,019	Credit Agricole Indosuez Cheuvreux	12,321,064	157
Merrill Lynch, Pierce Fenner & Smith, Inc.	2,275,236,753	923	Baird, Robert W. & Company, Inc.	2,809,032	155
Lehman Brothers, International (Europe)	207,974,760	914	Thomas Weisel Partners	6,375,715	151
ABN Amro Bank, NV	133,722,376	906	Seslia Securities	7,365,424	150
Jefferies & Company, Inc.	26,742,387	906	Credit Suisse First Boston (Europe)	1,288,726	148
Societe Generale, London Branch	38,704,794	838	UBS Warburg Securities, Ltd., Taiwan	42,700,000	146
Bear Stearns & Company, Inc.	1,350,062,765	789	UBS AG, London	20,024,129	146
Credit Suisse Securities (USA), LLC	545,817,559	753	Nyfix Transaction Services #2	7,049,875	141
Credit Suisse First Boston Corporation	286,085,419	738	Salomon Smith Barney, Inc.	39,411,325	136
J.P. Morgan Securities, Inc.	200,874,152	730	Lynch Jones and Ryan, Inc.	3,647,497	135
Cantor Fitzgerald and Company	29,931,803	719	Instinet UK, Ltd.	18,292,156	132
J.P. Morgan Securities (Asia Pacific), Ltd.	250,721,640	704	Merrill Lynch Professional Clearing Corp.	6,712,075	129
UBS, AG	38,371,528	689	Dresdner Kleinwort, Benson, North America	3,001,860	129
Credit Suisse First Boston (Europe), Ltd.	71,566,950	683	Goldman Sachs (Asia), LLC	14,327,144	128
Deutsche Bank Securities, Inc.	1,130,387,499	668	Harris Nesbitt Corporation	3,323,008	126
Merrill Lynch, International	157,350,372	667	Citigroupglobal Markets, India	8,208,643	126
Bear Stearns Securities Corporation	643,833,623	662	Credit Suisse First Boston	56,312,802	123
Warburg Dillon Read (Asia), Ltd.	102,263,436	634	JMP Securities	5,027,743	117
Deutsche Securities, Asia, Ltd.	257,098,530	614	ING Bank, NV	5,424,526	116
Gunnallen Financial	28,410,000	572	Warburg Dillon Read Securities, Ltd.	429,169	115
J.P. Morgan Securities, Ltd.	106,470,148	543	CS First Boston (Hong Kong), Ltd.	32,155,110	114
Global Securities, Inc. (Istanbul)	18,229,165	492	Samsung Securities Company, Ltd.	717,080	113
Goldman Sachs, International, London	64,429,674	476	J.P. Morgan Securities, Australia, Ltd.	22,960,282	111
UBS Securities, LLC	1,024,966,505	445	AG Edwards & Sons, Inc.	3,857,307	110
Morgan Stanley Company, International	4,811,341,225	437	Credit Lyonnais Securities, Asia/Guernsey	17,919,694	109
Deutsche Bank AG, London	2,598,271,222	403	Credit Lyonnais Securities (USA), Inc.	10,826,826	109
BNY Brokerage, Inc.	15,128,564	399	Bridge Trading Company	6,527,179	107
Citigroupglobal Markets, UK Equity, Ltd.	81,365,609	397	Mischler Financial Group, Inc., Equities	4,550,148	106
Weeden & Company	12,870,611	389	Bear Stearns International Trading	187,348,400	106
CLSA Securities, Korea, Ltd.	1,709,987	382	ITG Securities, Hong Kong, Ltd.	35,859,726	105
Knight Securities	10,128,276	339	ABN Amro Hoare Govett, Asia, Ltd.	761,305	104
Great Pacific Securities, Inc.	14,334,036	334	Wachovia Capital Markets, LLC	3,994,825	104
National Financial Services Corporation	282,338,944	317	S.G. Cowen & Company, LLC	6,291,648	103
Banc/America Secs., LLC, Montgomery	438,058,731	309	ING Baring Securities, Ltd., Seoul	903,150	103
Abel Noser Corporation	14,765,990	308	Broadcortcapital (Thru MI)	3,074,325	101
J.P. Morgan Securities, Ltd.	15,055,167	301	Rosenblatt Securities, Inc.	4,825,795	101
DSP Merrill Lynch, Ltd.	11,519,789	287	Finans Yatirim Menkul Degerler	5,124,937	100
TD Waterhouse, CDA	15,919,871	238	Fidelity Capital Markets	3,853,462	98
La Branche Financial #2	6,907,532	238	SG Securities, Hong Kong	13,915,471	97
Sanders Morris Mundy	11,244,932	222	Liquidnet, Inc.	3,256,841	94
Banco Santander Central Hispano	7,970,496	219	Neubergerand Berman	4,489,324	94
Magavceo Lee & Company	10,124,446	208	Zannex Securities	6,179,367	93
Leerink Swann and Company	9,032,670	208	Pershing, DLJ SL	15,274,613	93
Morgan Stanley Company, International	1,110,609	199	Morgan Stanley, India Securities Private, Ltd.	2,893,423	92
Guzman & Company	9,721,499	197	Warburg Dillon Read Securities, India		
Oien Securities, Inc.	9,644,141	195	Private, Ltd.	2,287,177	90
UBS Warburg, LLC	132,659,500	190	SS Kantilal Ishwarlal Securities	3,275,142	90
Salomon Smith Barney Korea, Ltd.	829,589	187	Pulse Trading, LLC	2,704,305	88

Schedule of Commissions & Fees — PERF (continued)

(Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission & Fees Amount	Broker	Number of Shares Traded	Base Commission & Fees Amount
Instinet Pacific, Ltd.	22,145,706	\$87	Deutsche Morgan Grenfell Securities	1,693,440	\$38
ABN Amro Bank NV, Hong Kong	14,231,304	86	Montrose Securities Equities	1,537,560	38
Pacific American Securities, LLC	3,966,405	85	B-Trade Services, LLC	2,730,032	37
Brockhouse & Cooper, Inc., Montreal	4,603,021	85	Kabrik Trading, LLC	1,789,800	36
Sanford C. Bernstein Company, LLC	2,291,735	84	Tullett Liberty Securities, Inc.	921,777	34
Davis, Mendel, and Regenstein	3,504,273	84	Macquarie Securities, Ltd., Seoul	347,610	34
Banco Warburg Dillon Read, SA	2,387,533	83	ISI Group, Inc.	742,585	34
Miletus Trading, LLC	3,870,668	80	Tokyo Mitsubishi International, PLC	2,995,001	34
Williams Capital Group, LP	3,804,738	79	Nutmeg Securities	1,581,665	33
Dresdner Kleinwort Wasserstein, Ltd.	2,355,650	78	Cabrera Capital Markets	1,119,946	32
Stifel Nicolaus & Company, Inc.	3,220,619	78	McDonald and Company Securities, Inc.	1,595,698	32
Lehman Brothers, International (Europe)	380,062	77	Roberts & Ryan Investments, Inc.	1,748,630	31
Cantor Fitzgerald, Europe 2	12,137,591	73	Investec Securities	2,516,370	31
Nordic Partners	1,534,500	72	UBS Securities, Asia, Ltd.	7,573,263	31
Daiwa Securities America, Inc.	5,109,006	70	Pershing Securities, Ltd.	973,215	31
Macquarie Equities, Ltd. (Sydney)	6,927,206	70	Hwang-DBS Securities Berhad	5,147,800	30
CIBC World Markets Corporation	2,575,694	69	Morgan Stanley & Company, International		
J.P. Morgan Securities (Far East), Ltd., Seoul	456,342	69	Taipei Metro	8,049,000	30
Fulcrum Global Partners, LLC	3,036,762	68	Sanford C. Bernstein, Ltd.	2,506,495	30
RBC Dominion Securities, Inc.	1,924,131	67	ABN Amro, Asia, Ltd.	7,261,630	30
Morgan Stanley	2,896,698	67	Thomas Weisel Partners, LLC	1,457,308	30
First Albany Capital, Inc.	2,988,466	67	Lehman Brothers Securities (Asia)	10,694,301	29
Loop Capital Markets, LLC	102,315,930	66	Raymond James and Associates, Inc.	1,304,961	29
O'Neil, William, and Co., Inc., BCC Clrg	1,277,793	65	Deutsche Bank, AG	561,125	28
J.P. Morgan Securities, Inc.	196,345,749	65	ABN Amro Equities Australia, Ltd.	1,286,900	28
Instinet Clearing Services, Inc.	4,298,317	61	Goldman Sachs Money Markets, Inc.	560,000	28
Hoare Govett (India) Securities Pvt., Ltd.	2,040,052	61	Citation Group	1,192,990	27
Rochdale Securities Corp. (CLS Thru 443)	1,711,400	59	BNY Direct Execution	1,176,000	27
Griswold Company	1,520,490	58	CSFB Australia Equities, Ltd.	2,162,161	27
Barnard Jacobs Mellett and Company (PTY)	1,964,351	56	DBS Vickers Securities (Singapore)	17,447,840	26
Credit Lyonnais Securities	6,394,551	56	Bear Stearns International, Ltd.	3,437,679	26
Credit Lyonnais Securities (Asia)	3,538,000	56	SBC Warburg, London	4,478,103	25
BNP Paribas Peregrine Securities	1,851,009	52	Citibank, SA	687,130	25
Utendahl Capital Partners, LP	2,329,408	51	Agora Corde Titul E Val Mob	2,297,600	25
State Street Bank & Trust	451,542,105	51	Mizuho Securities, USA, Inc.	1,052,968	25
Investec Henderson Crosthwaite	3,013,800	50	Fox Pitt Kelton, Inc.	559,635	24
Nomura International, PLC	19,749,474	50	Collins Stewart & Company	1,190,287	24
Merrill Lynch, Pierce Fenner & Smith	4,713,000	50	Friedman, Billings & Ramsey	534,184	24
Samuel A. Ramirez & Company, Inc.	2,397,006	49	Bernstein, Sanford & Company	177,400	24
Access Securities, Inc.	1,525,500	48	Donaldson, Lufkin & Jenrette Sec. Corp.	578,000	23
Legg Mason Wood Walker, Inc.	2,142,938	47	Hyundai Securities Company, Ltd.	139,310	22
Goodmorning Shinhan Securities Company	193,770	46	Caisse Centrale Desjardins	778,000	22
JNK Securities, Inc.	2,235,375	46	US Bancorp Piper Jaffray, Inc.	493,727	22
Miller Tabak & Company, LLC	3,083,556	45	Pacific Crest Securities	439,440	22
RBC Capital Markets	899,883	44	Stevens, Inc.	1,260,444	22
Citigroupglobal Markets, Asia, Ltd.	8,870,298	44	Cathay Financial Corporation	1,051,947	22
G-Trade Services, Ltd.	2,031,764	44	Dowling & Partners	456,175	22
LEK Securities	2,831,100	44	Enam Securities Pvt., Ltd.	2,279,000	21
Magna Securities Corporation	2,119,711	44	Neue Zurcher Bank	222,374	21
ABG Securities	1,512,900	43	Julius Baer Brokerage, Zurich Branch	47,500	21
Yamner & Company, Inc. (CLS Thru 443)	4,328,425	43	Goldman Sachs, Execution & Clearing	2,483,004	21
Banco Pactual, SA	506,154,600	42	Deutsche Equities India Private, Ltd.	620,464	21
Icici Brokerage Services	3,311,500	42	HSBC Securities, India Holdings	959,499	21
Goldman Sachs, International	3,666,834	41	Citigroupglobal Markets, Inc., Salomon		
G.K. Goh Stockbrokers, PTE, Ltd.	8,104,700	40	Brothers	564,514,290	20
Credit Lyonnais Securities (Asia)	22,950,425	40	Citigroupglobal Markets, Asia	6,036,000	20
Cazenove & Company	3,049,248	39	Concorde Ertekpapir Ugynokseg Rt	171,845	20
Enskilda Securities, AB	904,952	39	Keefe Bruyette & Woods, Inc.	469,740	20

Schedule of Commissions & Fees — PERF (continued)

(Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission & Fees Amount
Nomura Securities International	381,502	\$20
Kempen & Company, NV	291,773	19
Lazard Capital Markets, LLC	837,756	19
Natexis Bleichroeder, Inc., NY	1,215,506	19
Were Stockbroking, Ltd. (Melbourne)	632,700	19
Daiwa SBCM, Europe	1,107,248	19
E-Trade Securities, Inc.	467,626	19
Midwest Research Securities	434,739	19
Kotak Securities	744,402	18
Various Brokers	583,053,754	1,767
Total	50,789,530,237	\$65,239

Schedule of Fees & Costs for Private Equity Partners — PERF

Fund Name	2005¹	Fund Name	2005¹
	Fees & Costs		Fees & Costs
1818 Fund II, LP	\$31,112.00	PCG Corporate Partners, LLC	\$5,218,731.00
Aberdare Ventures III, LP	402,548.00	Candover 1994 Fund	36,860.00
ABS Capital Partners II, LP	427,409.00	Candover 1997 Fund	35,385.00
ABS Capital Partners III, LP	1,017,191.00	Candover 2001 Fund	1,889,919.00
ABS Capital Partners IV, LP	1,174,894.00	Carlyle Asia Partners, LP	1,217,424.00
Advent-Global Private Equity IV, LP	338,852.00	Carlyle Asia Growth Partners III, LP	130,499.00
Advent-Global Private Equity V, LP	427,250.00	Carlyle Asia Venture Partners II, LP	1,312,671.00
Alta Biopharma Partners II, LP	1,470,173.00	Carlyle Europe Partners II, LP	1,032,951.00
Alta Biopharma Partners III, LP	752,338.00	Carlyle Europe Real Estate Partners, LP	1,467,614.00
Alta Biopharma Partners, LP	971,229.00	Carlyle High Yield Partners IV, Ltd.	—
Alta California Partners II, LP	2,226,469.00	Carlyle Japan Partners, LP	461,189.00
Alta California Partners III, LP	3,407,818.00	Carlyle Mexico Partners, LP	87,024.00
Alta California Partners, LP	2,071,882.00	Carlyle Partners II, LP	226,598.00
Alta Communications VI, LP	151,637.00	Carlyle Partners III, LP	204,130.00
Alta Communications VII, LP	1,031,695.00	Carlyle Partners IV, LP	3,006,997.00
Alta Communications VIII, LP	1,881,698.00	Carlyle Realty Qualified Partners III, LP	84,950.00
Alta Partners ACP IV, LP	456,607.00	Carlyle Strategic Partners, LP	479,687.00
Alta V, Limited Partnership	5,058.00	Carlyle Venture Partners II, LP	1,374,990.00
American River Ventures I, LP	1,167,826.00	Carlyle/Riverstone Global Energy and Power Fund II, LP	1,354,503.00
APA Excelsior IV, LP	108,226.00	Central Valley Fund	210,004.00
APA German European Ventures, LP	3,053.00	Clearstone Venture Partners III-A, LP	8,514.00
APAX CRIII	—	Clearwater Capital Partners Fund II, LP	3,592,705.00
APAX Ventures IV International Partners, LP	4,764.00	Clessidra Capital Partners	346,904.87
Apollo Investment Fund III, LP	756,938.00	Coller International Partners II, LP	640,760.00
Apollo Investment Fund IV, LP	34,967.00	Coller International Partners III, LP	1,099,444.00
Apollo Investment Fund V, LP	149,513.00	Coller International Partners IV, LP	1,107,654.35
ArcLight Energy Partners Fund II, LP	1,115,737.88	CVC European Equity Partners II, LP	387,067.00
Ares Corporate Opportunities Fund, LP	1,110,666.80	CVC European Equity Partners III, LP	1,766,954.00
Asia Recovery Fund, LP	226,551.00	CVC European Equity Partners, LP	45,810.00
Audax Private Equity II, LP	72,879.86	CVC European Equity Partners IV, LP	2,734,416.00
Aurora Equity Partners II, LP	32,943.00	CVC Capital Partners Asia Pacific II	1,270,196.00
Aurora Equity Partners III, LP	1,931,285.00	DFJ Frontier Fund, LP	556,126.00
Aurora Equity Partners, LP	127,504.00	Dominion Fund IV, LP	494,635.00
Avenue Asia Special Situations Fund III, LP	1,666,402.00	Dominion Fund V, LP	725,730.00
Avenue Special Situations Fund II, LP	30,853.00	Doughty Hanson & Company Fund II	37,982.89
Avenue Special Situations Fund III, LP	994,579.00	Doyle & Boissiere Fund I, LLC	601,538.00
Bachow Investment Partners III, LP	511,393.23	Dresdner Kleinwort Benson Emerging Europe	145,965.27
Banc of America CA Community Venture Fund, LP	1,718,030.00	Emergence Capital Partners, LP	371,563.00
Beacon Group Energy Investment Fund II, LP	199,636.00	Ethos Private Equity Fund III, LP	58,005.00
Beacon Group Energy Investment Fund, LP	38,488.00	Ethos Private Equity Fund IV, LP	233,440.00
Beacon Group III, Focus Value Fund, LP	884,226.00	EuclidSR Biotechnology Partners, LP	1,141,720.47
Behrman Capital II, LP	975,058.00	Exxel Capital Partners V, LP	3,498.05
Behrman Capital III, LP	1,817,359.00	Fairview Capital II, LP	502,821.00
Behrman Capital, LP	259,214.75	Fairview Capital, LP	677,400.00
Belvedere Capital II	870,732.00	Fenway Partners Capital Fund II, LP	509,656.00
Birch Hill Equity Partners III	1,242,354.00	Fenway Partners Capital Fund, LP	213,480.00
Blackstone Capital Partners II, Merchant Banking Fund, LP	23,722.00	FFC Partners III, LP	686,515.00
Blackstone Capital Partners III, Merchant Banking Fund, LP	82,810.00	First Reserve Fund IX, LP	1,074,717.10
Blackstone Capital Partners IV, LP	31,664.00	First Reserve Fund VI, LP	40,017.00
Blackstone Communications Partners I, LP	951,647.00	First Reserve Fund X, LP	1,450,368.30
Blackstone Mezzanine Partners, LP	231,437.00	Flagship Ventures Fund 2004, LP	655,114.00
Blum Strategic Partners III, LP	443,658.00	Francisco Partners, LP	693,443.00
Blum Strategic Partners II, LP	725,931.00	FS Equity Partners III, LP	25,785.00
Bridgepoint Europe I	5,933.48	FS Equity Partners V, LP	389,733.00
Bridgepoint Europe II	56,110.25	Garage California Entrepreneurs Fund, LP	271,821.00
Bridgepoint Europe III	31,412.00	Gemini Israel IV, LP	430,738.00
California Community Financial Institutions Fund, LP	162,421.00	Generation Capital Partners, LP	20,318.00
California Emerging Ventures II, LLC	1,934,156.00	Giza Venture Fund IV, LP	241,780.17
California Emerging Ventures III, LLC	1,483,324.00	Gleacher Mezzanine Fund I, LP	1,241,759.00
California Emerging Ventures, LLC	1,880,913.00	Golder, Thoma & Cressey Fund IV, LP	23,722.00

Note:

¹ Fees and costs for the 1-year period ending December 31, 2005.

Schedule of Fees & Costs for Private Equity Partners — PERF (continued)

	2005 ¹		2005 ¹
Fund Name	Fees & Costs	Fund Name	Fees & Costs
Golder, Thoma, Cressey, Rauner Fund V, LP	\$456,842.00	MHR Institutional Partners II, LP	\$847,516.00
Granite Global Ventures II, LP	616,696.00	New Mountain Investments II, LLC	1,457,469.00
Green Capital Partners (GCP) California Fund, LP	942,296.06	Newbridge Asia IV, LP	1,515,836.00
Green Equity Investors II, LP	247,144.00	Newbridge Asia III, LP	1,340,602.00
Green Equity Investors III, LP	477,313.00	NGEN Enabling Technologies Fund II	86,384.00
Green Equity Investors IV, LP	860,535.00	Nogales Investors Fund I, LP	446,306.80
Healthpoint Capital Partners, LP	90,550.00	Oak Hill Capital Partners II, LP	1,542,311.83
Hellman & Friedman Capital Partners II, LP	1,204.00	Oaktree Capital Management (OCM) Principal Opportunities Fund, LP	89,051.00
Hellman & Friedman Capital Partners III, LP	98,296.00	OCM Opportunities Fund V, LP	743,901.00
Hellman & Friedman Capital Partners IV, LP	19,745.00	OCM Opportunities Fund VI, LP	286,662.00
Hellman & Friedman Capital Partners V, LP	3,185,755.00	OCM Opportunities Fund, LP	8,722.92
Hicks, Muse, Tate & Furst Equity Fund II, LP	52,946.00	OCM Principal Opportunities Fund III, LP	984,328.00
Hicks, Muse, Tate & Furst Equity Fund III, LP	3,305.00	Opportunity Capital Partners IV, LP	615,290.00
ICV Partners II, LP	137,611.00	Pacific Community Ventures	327,537.00
ICV Partners, LP	73,058.96	Paladin Homeland Security Fund (CA), LP	590,715.00
Information Technology Ventures II, LP	116,325.00	Palladium Equity Partners III, LP	986,907.00
Information Technology Ventures, LP	—	Palomar Ventures III, LP	642,129.00
Inroads Capital Partners, LP	215,504.16	Parish Capital I, LP	825,988.00
Insight Venture Partners V	629,935.00	Penman Private Equity and Mezzanine Fund, LP	18,208.00
Institutional Venture Partners XI, LP	504,087.00	Permira Europe I	854,960.00
Ironbridge Capital 2003/4, LP	605,375.70	Permira Europe III	1,791,033.00
J.P. Morgan Partners Global Investors, LP	1,665,244.00	Permira U.K. Venture III	1,265.00
KB Mezzanine Fund II, LP	54,150.00	Permira U.K. Venture IV	183,419.00
Kid Kamm Equity Partners, LP	—	Perseus-Soros Biopharmaceutical Fund, LP	271,144.99
KKR Europe II	—	Pinnacle Venture II	600,020.00
KKR European Fund, LP	—	Pharos Capital Partners II	524,529.00
KKR Millennium Fund, LP	412,496.63	Polish Enterprise Fund IV, LP	574,422.36
Kline Hawkes California, LP	1,096,031.00	Polish Enterprise Fund V, LP	916,016.36
Kline Hawkes Pacific, LP	2,224,403.00	Prospect Venture Partners II, LP	2,430,599.00
Kohlberg Investors IV, LP	64,407.00	Prospect Venture Partners III, LP	1,239,485.00
Kohlberg Investors V, LLC	1,206,722.00	Provender Opportunities Fund II, LP	596,341.00
Landmark Equity Partners III, LP	49,202.00	Providence Equity Partners V, LP	195,944.00
Landmark Equity Partners IV, LP	108,545.00	Providence Media Partners, LP	—
Landmark Equity Partners XI, LP	127,187.00	Quadrangle Capital Partners II, LP	247,315.00
Leeds Weld Equity Partners IV, LP	124,841.29	Questor Partners Fund II, LP	212,226.00
Levine Leichtman Capital Partners II, LP	1,333,140.00	RFG Private Equity, Limited Partnership No. 1	783,344.00
Levine Leichtman Capital Partners III, LP	1,816,619.00	Rice Mezzanine Lenders, LP	—
Levine Leichtman Capital Partners, LP	28,168.00	Rice Partners II, LP	20,607.43
Levine Leichtman Deep Value, LP	119,493.00	Ripplewood Partners II, LP	867,853.00
Lexington Capital Partners II, LP	1,392,862.00	RSTW Partners III, LP	462,579.90
Lexington Capital Partners III, LP	1,209,077.00	Safeguard International Fund, LP	453,539.00
Lexington Capital Partners IV, LP	1,611,340.00	Sanderling IV Biomedical, LP	1,502,687.00
Lexington Capital Partners V, LP	804,038.00	Sanderling V Biomedical, LP	1,243,250.00
Lexington Middle Market Investors, LP	475,787.00	Seaport Capital Partners II, LP	654,881.94
Lighthouse Capital Partners V, LP	—	Skyline IV	284,035.00
Lime Rock Partners III, LP	441,605.76	Silver Lake Partners II, LP	1,276,995.17
Littlejohn Fund II, LP	246,652.14	Silver Lake Partners, LP	130,915.07
Lombard Thailand Partners, LP	2,082,413.00	SpaceVest Fund, LP	92,957.00
Lombard/Pacific Partners, LP	2,421,523.55	SPV (VCOC), LP	27,852.77
M/C Venture Partners IV, LP	204,697.00	Stonington Capital Appreciation 1994 Fund, LP	13,572.12
M/C Venture Partners V, LP	1,409,311.00	T3 Partners II, LP	314,107.00
Madison Dearborn Capital Partners II, LP	326,409.00	TCW Special Credits Fund V, The Principal Fund	1,138,890.00
Madison Dearborn Capital Partners III, LP	175,015.00	Technology Partners Fund V, LP	8,766.00
Madison Dearborn Capital Partners IV, LP	33,384.00	Technology Partners Fund VI, LP	591,780.00
Madison Dearborn Capital Partners, LP	288,923.00	Technology Partners Fund VII, LP	1,292,837.00
Markstone Capital Partners, LP	1,615,891.00	Thomas H. Lee Equity Fund III, LP	72,507.00
McCown De Leeuw & Co. III, LP	199,870.00	Thomas H. Lee Equity Fund IV, LP	66,288.00
McCown De Leeuw & Co. IV, LP	663,601.00	Thomas H. Lee Equity Fund V, LP	245,854.00
Media/Communications Partners II, LP	62,271.00	Thomas Weisel Capital Partners, LP	1,308,982.00
Media/Communications Partners III, LP	573,809.00		

Note:

¹ Fees and costs for the 1-year period ending December 31, 2005.

Schedule of Fees & Costs for Private Equity Partners — PERF (continued)

Fund Name	2005¹ Fees & Costs	Fund Name	2005¹ Fees & Costs
Thomas Weisel Global Growth Partners, LP	\$ —	US Power Fund II	\$461,503.00
Thomas Weisel Global Growth Partners II, LP	220,845.00	W. Capital Partners, LP	326,941.90
Thomas Weisel Healthcare Ventures, LP	558,300.00	Warburg, Pincus Investors, LP	117.43
Thomas Weisel Strategic Opportunities Partners, LP	—	Welsh, Carson, Anderson & Stowe IX, LP	1,117,970.51
Thomas Weisel Venture Partners, LP	2,108,659.00	Welsh, Carson, Anderson & Stowe VI, LP	12,803.72
Ticonderoga E-Services Fund I, LP	783,329.00	Welsh, Carson, Anderson & Stowe VII, LP	464,805.23
Ticonderoga E-Services Fund II, LP	1,004,131.00	Welsh, Carson, Anderson & Stowe VIII, LP	2,076,094.05
TL Ventures III, LP	294,708.00	Welsh, Carson, Anderson & Stowe X, LP	1,415,891.00
TL Ventures IV, LP	708,206.00	Weston Presidio Capital IV, LP	1,975,953.00
TL Ventures V, LP	3,127,538.00	Weston Presidio Capital V, LP	65,456.00
TowerBrook Investors II, LP	453,353.39	William E. Simon & Sons Special Situation Partners II, LP	40,280.95
TowerBrook Investors, LP	683,642.88	WLR Recovery Fund III, LP	1,498,874.00
TPG Biotechnology Partners, LP	1,438,652.00	WLR Recovery Fund II, LP	288,391.00
TPG Partners III, LP	271,339.00	WLR Recovery Fund, LP	124,030.00
TPG Partners IV, LP	1,974,366.00	Yucaipa American Alliance Fund I, LP	356,909.00
TPG Ventures, LP	5,061,939.00	Yucaipa American Special Situations Fund I, LP	1,432,768.37
TSG Capital Fund II, LP	29,022.00	Yucaipa Corporate Initiatives Fund I, LP	2,334,295.11
TSG Capital Fund III, LP	105,270.00	Total	\$196,363,822.18

Schedule of Fees & Costs for Absolute Return Strategies Program — PERF

Fund Name	2005¹ Fees & Costs
Atticus Global, LP	\$1,886,156.00
Black River Fixed Income Relative Value Investors Fund	1,584,873.00
Brookside Capital Partners Fund, LP	1,313,589.00
Canyon Value Realization Fund, LP	1,733,639.00
Chatham Asset High Yield Offshore Fund, Ltd.	565,968.00
Deephaven Market Neutral Fund, LLC	972,013.49
Everglades Partners, LP	420,500.00
Farallon Capital Offshore Investors, Inc.	1,153,070.00
Lansdowne European Strategic Equity Fund, LP	665,976.00
Liberty Square Offshore Partners, Ltd.	555,069.00
MPM BioEquities Fund, LP	432,720.12
O'Connor Global Quantitative Equity, LLC	125,844.00
OZ Domestic Partners II, LP	126,359.00
Partner Fund, LP	958,080.13
Pentangle Partners, LP	373,751.69
Rhapsody Fund, LP	568,995.65
The 32 Capital Fund, LLC	125,346.00
Tosca	1,139,983.00
Tremblant Partners, LP	1,085,645.00
Wayzata Recovery Fund, LLC	709,978.74
Zaxis Institutional Partners, LP	720,339.00
Vision Blue Diamond Fund, LP	65,097.60
Total	\$17,282,993.42

Note:

¹ Fees and costs for the 1-year period ending December 31, 2005.

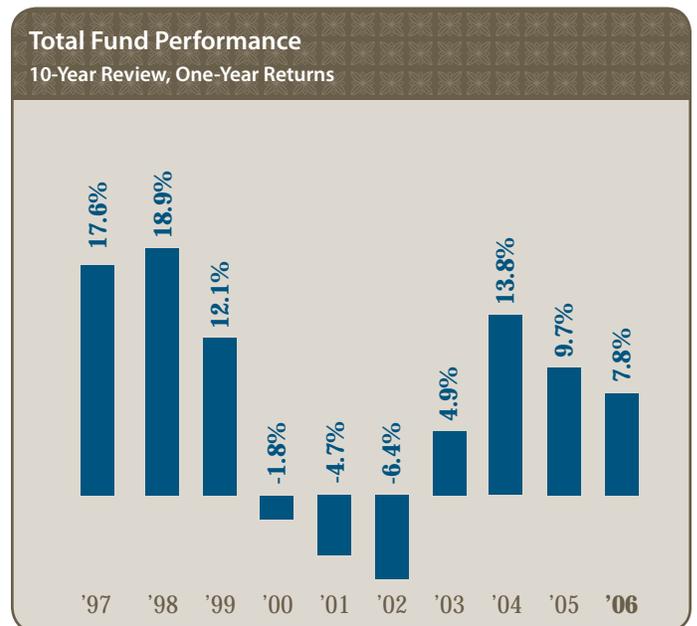
Investment Performance — JRF II

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Judges' Retirement Fund II based on performance calculations made by the Fund's custodian, State Street Bank & Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2006, are:

JRF II Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	7.8%	10.7%	5.9%	Weighted Policy Benchmark ¹	9.0%	10.5%	5.7%
				Actuarial Rate	7.3%	7.3%	7.3%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	9.4%	11.4%	6.3%
Domestic Equity	8.4%	11.1%	2.4%	Custom S&P 500 Index ³	8.5%	11.0%	2.4%
International Equity	26.8%	24.2%	10.3%	TUCS Equity Median	10.8%	14.6%	5.4%
Domestic Debt Securities	(6.0%)	1.4%	5.1%	MSCI EAFE Index	26.6%	23.9%	10.0%
				Lehman Aggregate Bond Index	(0.8%)	2.1%	5.0%
				Citigroup LPF Index	(3.4%)	2.2%	6.0%
				TUCS Fixed Income Median	0.2%	2.6%	5.4%

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.



Notes:

¹ The Weighted Policy Benchmark returns for the JRF II are based on asset class index returns, weighted by asset class policy targets.

² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

³ The Custom Tobacco-Free S&P 500 Index is used as the benchmark for the U.S. equity segments of the JRF II, starting with the February 2001 performance.

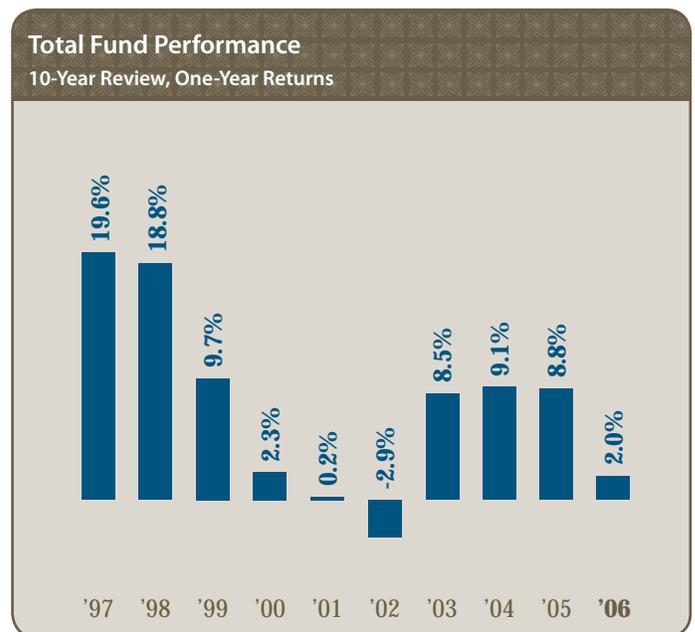
Investment Performance — LRF

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Legislators' Retirement Fund based on performance calculations made by the Fund's custodian, State Street Bank & Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2006, are:

LRF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	2.0%	6.9%	5.2%	Weighted Policy Benchmark ¹	3.0%	7.1%	5.8%
				Actuarial Rate	7.0%	7.3%	7.3%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	9.4%	11.4%	6.3%
Domestic Equity	8.4%	11.1%	2.4%	Custom S&P 500 Index ³	8.5%	11.0%	2.4%
International Equity	26.7%	24.4%	10.4%	TUCS Equity Median	10.8%	14.6%	5.4%
Domestic Debt Securities	(5.3%)	1.4%	5.1%	MSCI EAFE Index	26.6%	23.9%	10.0%
				Lehman Aggregate Bond Index	(0.8%)	2.1%	5.0%
				Citigroup LPF Index	(3.4%)	2.2%	6.0%
				TUCS Fixed Income Median	0.2%	2.6%	5.4%

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.



Notes:

¹ The Weighted Policy Benchmark returns for the LRF are based on asset class index returns, weighted by asset class policy targets.

² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

³ The Custom Tobacco-Free S&P 500 Index is used as the benchmark for the U.S. equity segments of the LRF, starting with the February 2001 performance.

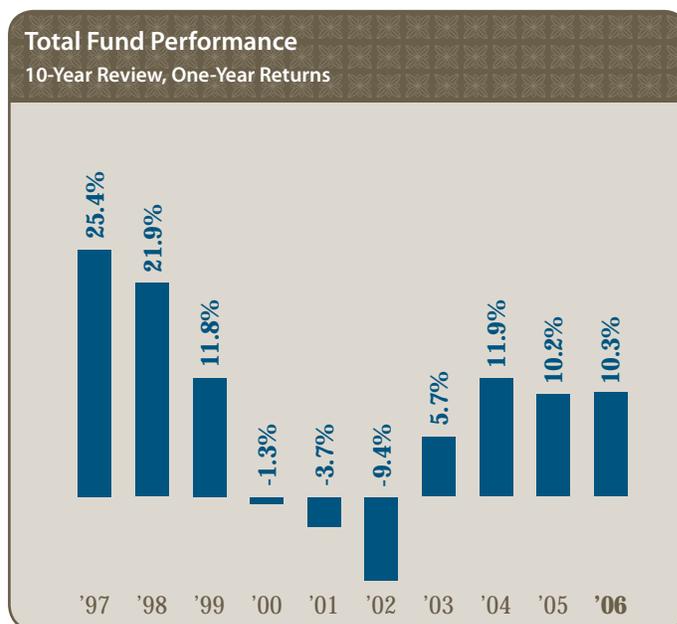
Investment Performance — VFF

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Volunteer Firefighters' Fund based on performance calculations made by the Fund's custodian, State Street Bank & Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2006, are:

VFF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	10.3%	10.8%	5.4%	Weighted Policy Benchmark ¹	10.2%	10.3%	5.3%
				Actuarial Rate	7.5%	7.5%	7.5%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	9.4%	11.4%	6.3%
Domestic Equity	9.5%	11.7%	2.7%	Russell 3000 ³	9.6%	11.4%	2.6%
				TUCS Equity Median	10.8%	14.6%	5.4%
Domestic Debt Securities	(1.6%)	2.8%	6.0%	MSCI EAFE	26.6%	23.9%	10.0%
International Equity	26.7%	—%	—%	Lehman Aggregate Bond Index	(0.8%)	2.1%	5.0%
				Citigroup LPF Index	(3.4%)	2.2%	6.0%
				TUCS Fixed Income Median	0.2%	2.6%	5.4%
Real Estate	21.5%	—%	—%	DJ Wilshire REIT Index	22.0%	27.7%	20.2%
				TUCS Real Estate Median	19.5%	16.7%	12.4%
Short-Term Investments	4.5%	—%	—%				

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.



Notes:

¹ The Weighted Policy Benchmark returns for the VFF are based on asset class index returns, weighted by asset class policy targets.

² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

³ The benchmark is Russell 3000 from July 2005 on. Prior to that, the benchmark was the Tobacco-Free S&P 500 Index.

Actuarial Section

Based on Actuarial Valuations
as of June 30, 2005

We manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.



Actuarial and Employer Services Branch
P.O. Box 942709
Sacramento, CA 94229-2709

September 2006

The Board of Administration of the California Public Employees' Retirement System:

As authorized, the CalPERS actuarial staff perform annual actuarial valuations of the CalPERS State, schools, and public agency plans; the latest such valuations are as of June 30, 2005.

The funding objective for each of these plans is to accumulate assets equal to 100 percent of the accrued liability, as measured by the Entry Age Normal Cost method in a manner that keeps contributions approximately level as a percentage of payroll. Unfunded actuarial liabilities or surplus assets (excess assets) are amortized pursuant to Board policy such that the amortization payment is not less than that required to amortize the unfunded liability over 30 years.

The actuarial assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the Financial Section by Governmental Accounting Standards Board Statement No. 25. In our opinion, the actuarial assumptions are internally consistent and produce results which are reasonable in the aggregate.

The valuations are based on the member and financial data as of the valuation date, extracted from the various CalPERS databases. Both the membership and financial data are subject to extensive tests for reasonableness.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.

A handwritten signature in black ink, appearing to read "Ron Seeling".

Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

CalPERS Actuarial Methods & Assumptions

Actuarial Methods

The ultimate cost that a retirement system such as CalPERS incurs is equal to benefits paid plus the expenses resulting from administration and financing. These costs are paid through contributions to the plan and investment earnings on the System's assets.

The actuarial valuations rely upon data extracted from central databases maintained by CalPERS. These databases are created from data supplied by the individual employers. The data was not audited by the actuarial staff, but appears to be reasonable for valuation purposes. Summary information regarding plan membership data for various groups is provided in Exhibits F through H.

Using each plan's schedule of benefits, member data described above, and a set of actuarial assumptions, the plan's actuary estimates the cost of the benefits to be paid. Then, using a particular actuarial funding method, the actuary allocates these costs to the fiscal years within the employee's career.

In the case of the CalPERS plans with pay-related benefits, the financial objective is to fund in a manner which keeps contribution rates approximately as a level percentage of payroll from generation to generation, while accumulating sufficient assets over each member's working career. The primary funding method used to accomplish this objective is the Entry Age Normal Cost Method. This method is used for all defined benefit pay-related plans within CalPERS and for the Judges' Retirement System II (JRS II). It is also used for the Indexed Level of 1959 Survivor Benefits. CalPERS uses the level dollar Aggregate Cost Method for those pay-related plans which are closed and declining in membership. This method is used for the Legislators' Retirement System (LRS) and the Judges' Retirement System (JRS).

For CalPERS non-pay-related plans, the financial objective is to produce annual costs that coincide with the value of benefits earned for that year. The Term Insurance Cost Method is used for the plans within the 1959 Survivor Program that are not indexed and for the State Group Term Life Insurance Program. The Unit Credit Cost Method is used for the Volunteer Firefighters' Length of Service Award System (VFLSAS).

Annual actuarial valuations are performed each June 30 using these methods. This report contains information through the most recent valuation date of June 30, 2005. Progress in financing can be found in the Summary of Funding Progress, Exhibits A and B.

The actuarial assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the Financial Section by Governmental Accounting Standards Board Statement No. 25.

Entry Age Normal Cost Method

Under the Entry Age Normal Cost Method, projected benefits are determined for all members. For active members, liabilities are spread in a manner that produces level annual costs as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost. The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years.

The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for inactive members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

CalPERS Actuarial Methods & Assumptions (continued)

The excess of the total actuarial accrued liability over the value of plan assets is called the unfunded actuarial accrued liability.

The required contribution is then determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payroll.

In the CalPERS case, the unfunded liability is broken down into components, or bases, according to their date of origin and the cause that gave rise to that component. A component of the unfunded liability that arose due to a change in plan provisions or in actuarial methods or assumptions is separately tracked and amortized over 20 years.

The actuarial assumptions discussed in this section are used to determine projected benefits. The effect of differences between those assumptions and the actual experience of the plan is calculated each year when the annual actuarial valuation is performed. These differences are actuarial gains or losses. Gains and losses are tracked separately and amortized over a rolling 30-year period.

A maximum 30-year amortization payment on the entire unfunded liability is enforced on the amortization methods described above. In addition, for those plans in which the amortization methods described above result in either mathematical inconsistencies or unreasonable actuarial results, all unfunded liability components are combined into a single base and amortized over a period of time, as determined by the CalPERS Chief Actuary.

Term Insurance Cost Method

The actuarial funding method for non-indexed levels of the 1959 Survivor Program is a modified Term Insurance Cost Method. Under this method, there is no actuarial accrued liability for active members; all liability is due to current beneficiaries. The normal cost is calculated as the amount needed to provide benefits to survivors of deaths expected in the next one-year period.

The Term Insurance Cost Method is also used for the State Group Term Life Insurance Program. The required contributions are calculated as one and one-half times the expected life insurance payments for the coming year less the current assets available to pay those benefits, but not less than zero.

Unit Credit Cost Method

The Unit Credit Cost Method is used to value the benefits provided by the VFLSAS. Under this method, the actuarial accrued liability is the sum of the present value of accrued benefits of all participants. The normal cost is the present value of the benefits earned during the valuation year by all participants.

Aggregate Cost Method

The Aggregate Cost Method is used for the LRS and JRS systems. Under this method, the difference between the present value of projected benefits and the assets of the plan are allocated over a specified period of time as a level dollar amount. The amount allocated to the current fiscal year is called the normal cost. There is no actuarial accrued liability calculated using the Aggregate Cost Method.

CalPERS Actuarial Methods & Assumptions (continued)

Asset Valuation Method

In order to dampen the effect of short-term market value fluctuations on employer contribution rates, the following asset-smoothing technique is used: first an Expected Value of Assets is computed by bringing forward the prior year's Actuarial Value of Assets and the contributions received and benefits paid during the year at the assumed actuarial rate of return. The Actuarial Value of Assets is then computed as the Expected Value of Assets plus one-fifteenth of the difference between the actual Market Value of Assets and the Expected Value of Assets as of the valuation date. However, in no case will the Actuarial Value of Assets be less than 80 percent or greater than 120 percent of the actual Market Value of Assets. This methodology is used in the valuations for all programs except the JRS, which uses an Actuarial Value of Assets equal to the Market Value of the Fund plus accrued interest.

Actuarial Assumptions

The actuarial assumptions used in determining actuarial liabilities and required employer contributions include both economic and non-economic assumptions. These assumptions represent the actuary's best estimate of anticipated future experience and are reviewed in depth periodically.

Economic Assumptions

The economic assumptions include an assumed inflation assumption of 3.0 percent compounded annually. The inflation assumption is a component of assumed investment return, assumed wage growth, and assumed future post-retirement cost-of-living increases.

Based upon the asset allocation of the Public Employees' Retirement Fund (PERF), the assumed investment return (net of administrative and investment expenses) is 7.75 percent per year, compounded annually. Different asset allocations and lower assumed investment returns apply to LRF, JRF, JRF II, and VFF.

The assumed investment returns for these four plans are 7.0 percent, 7.0 percent, 7.25 percent, and 7.5 percent, respectively.

For plans within CalPERS, the overall payroll is assumed to increase 3.25 percent annually. This is based upon the 3.0 percent inflation assumption and a .25 percent per annum productivity increase assumption. The overall payroll growth assumption is used to project future payroll over which the unfunded liability is amortized.

For plans within CalPERS, the assumed growth in an individual employee's future pay is composed of the 3.0 percent inflation component, an additional .25 percent per annum productivity component, and an annual merit increase based on the member's length of service. The service-based merit increase in an individual's salary recognizes that larger salary increases tend to occur earlier in an employee's career. Pay increase assumptions for individual members are shown for sample lengths of service in Exhibit C.

Non-Economic Assumptions

Non-economic assumptions for plans within the PERF are based upon demographic studies covering the period June 30, 1997 through June 30, 2002. The probabilities of service retirement, withdrawal from service, non-industrial disability, industrial disability, and death-in-service are shown for sample ages in Exhibit D. Individuals hired on or before June 30, 1982, are entitled to subsidized optional benefits. Certain valuation liabilities are increased to reflect this subsidy.

Post-retirement mortality tables are based on CalPERS experience. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table. Sample life annuity values based on these tables are shown in Exhibit E.

Changes Since Prior Valuation

Changes in Actuarial Methods

There were no changes in actuarial methods since the prior year's actuarial valuation.

Changes in Actuarial Assumptions

There were no changes in actuarial assumptions.

Changes in Plan Provisions

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in Appendix B of the plan's annual valuation report.

For the State, there were two changes in the plan provisions from the prior valuation.

1. S.B. 183 (2001-02 Legislative Session) — Reclassified certain State miscellaneous members in Bargaining Unit 7 as State Safety members; effective July 1, 2004, on a prospective basis only. Overall, close to 3,600 members were reclassified.
2. S.B. 65 (2001-02 Legislative Session) — Provided a temporary (set to expire in 2006) benefit to CHP members that increased the final compensation used for calculating the retirement benefit by an amount equal to the member contribution. S.B. 439 of the 2003-04 Legislative Session made this benefit permanent.

Summary of Funding Progress

Unfunded Liability & Funded Ratios

For the plans in CalPERS, unfunded actuarial accrued liabilities are the difference between Entry Age Normal Accrued Liabilities and the assets of the Fund. It is required that these unfunded liabilities be financed systematically over future years.

Because of inflation, comparing the dollar amounts of assets, benefits paid, member salaries, and unfunded actuarial accrued liabilities can be misleading. While no one or two measures can fully describe the financial condition of the plan, unfunded actuarial accrued liability dollars divided by member salary dollars provide a meaningful index. The smaller the ratio, the stronger the System. Observation of this relative index over a period of years will give an indication of the financial strength of the System. Such a measure is presented in Exhibit A. The JRS and LRS use the Aggregate Cost Method to determine annual plan costs. Under the Aggregate Cost Method, no accrued liabilities are calculated, so this exhibit is not appropriate for these Systems.

Solvency Test

Exhibit B, Funding Progress — Solvency Test, demonstrates System solvency as measured under the Governmental Accounting Standards Board Statement No. 25. Again, as stated in the Summary of Funding Progress, the LRS and JRS use the Aggregate Cost Method; therefore, measuring System solvency under Exhibit B is not appropriate for these Systems.

Independent Review

To ensure the quality of its valuations, CalPERS contracts with independent consulting actuaries to review the valuations on a triennial basis.

Exhibit A – Funding Progress — Unfunded Liability & Funded Ratios

(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) – (1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
PERF						
6/30/96	\$94,230	\$96,838	\$2,608	97.3%	\$22,322	11.7%
6/30/97	108,566	97,925	(10,641)	110.9	22,504	(47.3)
6/30/98	128,830	106,938	(21,892)	120.5	24,672	(88.7)
6/30/99	148,605	115,748	(32,857)	128.4	27,636	(118.9)
6/30/00	162,439	135,970	(26,469)	119.5	28,098	(94.2)
6/30/01	166,860	149,155	(17,705)	111.9	30,802	(57.5)
6/30/02	156,067	163,961	7,894	95.2	32,873	24.0
6/30/03	158,596	180,922	22,326	87.7	34,784	64.2
6/30/04	169,899	194,609	24,710	87.3	35,078	70.4
6/30/05	183,680	210,301	26,621 ¹	87.3	36,045	73.9
LRF						
6/30/96	\$94.2	\$105.2	\$11.0	89.5%	\$4.8	229.2%
6/30/97 ²	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	N/A	N/A	N/A	N/A	N/A	N/A
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	N/A	N/A	N/A	N/A	N/A	N/A
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A
JRF						
6/30/96	\$12.5	\$1,460.1	\$1,447.6	0.9%	\$153.8	941.0%
6/30/97 ²	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	N/A	N/A	N/A	N/A	N/A	N/A
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	N/A	N/A	N/A	N/A	N/A	N/A
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A

Exhibit A – Funding Progress — Unfunded Liability & Funded Ratios (continued)

(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) – (1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
JRF II						
6/30/96	\$2.388	\$2.813	\$0.425	84.9%	\$8.1	5.3%
6/30/97	7.242	7.906	0.664	91.6	15.4	4.3
6/30/98	15.120	15.043	(.077)	100.5	33.9	(0.2)
6/30/99	27.155	26.921	(.234)	100.9	40.0	(0.6)
6/30/00	40.503	41.619	1.116	97.3	43.0	2.6
6/30/01	55.955	60.933	4.979	91.8	61.5	8.1
6/30/02	71.929	76.459	4.530	94.1	72.8	6.2
6/30/03	96.107	105.116	9.009	91.4	87.3	10.3
6/30/04	129.153	137.704	8.551	93.8	99.0	8.6
6/30/05	167.556	177.761	10.205	94.3	111.8	9.1

VFF

6/30/96	\$1.078	\$0.934	(\$0.144)	115.4%	N/A	N/A
6/30/97	1.360	1.121	(0.239)	121.3	N/A	N/A
6/30/98	1.678	1.500	(0.178)	111.8	N/A	N/A
6/30/99	1.987	1.805	(0.182)	110.1	N/A	N/A
6/30/00	2.302	2.296	(0.006)	100.3	N/A	N/A
6/30/01	2.524	2.183	(0.341)	115.6	N/A	N/A
6/30/02	2.310	2.453	0.143	94.2	N/A	N/A
6/30/03	2.786	3.206	0.420	86.9	N/A	N/A
6/30/04	2.975	3.525	0.550	84.4	N/A	N/A
6/30/05	3.212	3.651	0.439	88.0	N/A	N/A

Notes:

- ¹ The Unfunded Actuarial Accrued Liability (net assets in excess of the total Actuarial Accrued Liability) of the PERF by major employer groups from the June 30, 2005 valuation is as follows: 1) \$14,791 for the State of California, 2) \$2,530 for schools, and 3) \$9,300 for public agencies.
- ² Beginning with the June 30, 1997 valuation, actuarial valuations were performed using the Aggregate Cost Valuation Method, which does not identify unfunded actuarial liabilities. Prior to the June 30, 1997 valuation, actuarial valuations were performed using the Aggregate Entry Age Normal Cost Valuation Method.

Supplemental Schedule of Differences

Reconciliation between the Net Assets Held in Trust for Pension Benefits and the Net Assets Allocated to fund the Pension Benefit Obligation or the Actuarial Liability — June 30, 2005.

	PERF	LRF	JRF	JRF II	VFF
Net Assets Held in Trust for Pension					
Benefits Less:	\$189,630,881,000	\$138,095,000	\$17,244,000	\$171,874,000	\$3,050,000
Prior Year Adjustment	2,440,569	—	—	—	—
Member Additional Contributions	4,649,460	—	—	—	—
Reserve for Post-Retirement Redeposit	40,627,862	—	—	—	—
Reserve for Disability Installment Payments	86,114	—	—	—	—
Reserve for Purchasing Power Protection Account	299,218	—	—	—	—
Reserve for Unclaimed Benefits	18,812,263	—	—	—	—
Reserve for Deficiencies	454,310,521	—	—	—	—
Reserve for Fiduciary Self-Insurance	40,000,000	—	—	—	—
Other Reserves	(33,727,620)	—	—	—	—
Difference Between Smoothed Market Value & Fair Value	5,423,594,006	(1,153,807)	(204)	4,317,527	(161,817)
Actuarial Value of Assets	\$183,679,788,607	\$139,248,807	\$17,244,204	\$167,556,473	\$3,211,817

Exhibit B – Funding Progress — Solvency Test

The funding objective for a retirement system is to be able to pay long-term benefit promises through contributions that remain approximately level from year to year as a percent of salaries earned by members. In this way, members and employers in each year pay their fair share for retirement services accrued in that year by the retirement system's members.

If a system follows level contribution rate financing principles, it will pay all promised benefits when due — the ultimate test of financial soundness.

A short-term solvency test is one means of checking a system's funding progress. In a short-term solvency test, the plan's present assets (investments and cash) are compared with 1) member contributions on deposit, 2) the liabilities for future benefits to persons who have retired or

terminated, and 3) the liabilities for projected benefits for service already rendered by active members. In a system that has been following the discipline of level contribution rate financing, the liabilities for member contributions on deposit (liability 1) and the liabilities for future benefits to present retirees (liability 2) will be fully covered by present assets, except in rare circumstances.

In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 3 will increase over time.

Exhibit B illustrates the progress of funding liability of the PERF, JRF, JRF II, LRF, and VFF.

Exhibit B – Funding Progress — Solvency Test (continued)

Valuation Date	Accrued Liability				Valuation Assets	Portion of Actuarial Accrued Liabilities Covered by Reported Assets		
	Member Contributions (1) ¹	Terminated, Retirees & Beneficiaries (2)	Employer-Financed Portion of Active Members (3)	Total Accrued Liability (1) + (2) + (3)		(1)	(2)	(3)
PERF								
(Dollars in Billions)								
6/30/96	\$17.5	\$42.6	\$36.8	\$96.8	\$94.2	100%	100%	92.8%
6/30/97	18.7	50.8	28.4	97.9	108.6	100	100	137.5
6/30/98	20.1	55.4	31.5	106.9	128.9	100	100	169.6
6/30/99	21.5	58.0	36.2	115.8	148.6	100	100	190.7
6/30/00	22.9	66.3	46.8	136.0	162.4	100	100	156.6
6/30/01	24.5	67.3	57.3	149.2	166.9	100	100	130.9
6/30/02	26.3	73.8	63.9	164.0	156.1	100	100	87.6
6/30/03	27.5	84.0	69.4	180.9	158.6	100	100	67.8
6/30/04	29.4	92.5	72.7	194.6	169.9	100	100	66.0
6/30/05	31.3	103.0	76.0	210.3	183.7	100	100	65.0
LRF								
(Dollars in Millions)								
6/30/96	\$6.9	\$77.8	\$20.5	\$105.2	\$94.2	100%	100%	46.3%
6/30/97 ²	5.6	82.0	9.9	97.5	105.3	100	100	100.0
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
JRF								
(Dollars in Millions)								
6/30/96	\$102.0	\$821.8	\$536.3	\$1,460.1	\$12.5	12.3%	0%	0%
6/30/97 ²	105.4	938.9	619.3	1,663.6	6.1	5.8	0	0
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/05	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

¹ Includes accrued interest on member contributions.

² Beginning with the June 30, 1997 valuation, actuarial valuations were performed using the Aggregate Cost Valuation Method, which does not identify unfunded actuarial liabilities. Prior to the June 30, 1997 valuation, actuarial valuations were performed using the Aggregate Entry Age Normal Cost Valuation Method.

Exhibit B – Funding Progress — Solvency Test (continued)

Valuation Date	Accrued Liability			Total Accrued Liability (1) + (2) + (3)	Valuation Assets	Portion of Actuarial Accrued Liabilities Covered by Reported Assets		
	Member Contributions (1) ¹	Terminated, Retirees & Beneficiaries (2)	Employer-Financed Portion of Active Members (3)			(1)	(2)	(3)
JRF II								
(Dollars in Millions)								
6/30/96	\$0.698	\$ —	\$2.115	\$2.400	\$2.388	100%	100%	79.9%
6/30/97	1.877	0.273	5.756	7.906	7.242	100	100	87.7
6/30/98	3.979	0.378	10.686	15.043	15.120	100	100	100.7
6/30/99	6.509	0.195	20.217	26.921	27.155	100	100	101.2
6/30/00	9.680	0.292	31.647	41.619	40.503	100	100	96.5
6/30/01	13.817	0.167	46.949	60.933	55.955	100	100	89.4
6/30/02	19.120	0.356	56.983	76.459	71.929	100	100	92.1
6/30/03	28.430	0.714	75.972	105.116	96.107	100	100	88.1
6/30/04	37.557	1.223	98.923	137.704	129.153	100	100	91.4
6/30/05	51.211	1.786	124.764	177.761	167.556	100	100	91.8
VFF								
(Dollars in Millions)								
6/30/96	N/A	\$0.046	\$0.888	\$0.934	\$1.078	N/A	100%	116.2%
6/30/97	N/A	0.089	1.032	1.121	1.360	N/A	100	123.2
6/30/98	N/A	0.156	1.344	1.500	1.678	N/A	100	113.2
6/30/99	N/A	0.178	1.627	1.805	1.987	N/A	100	111.2
6/30/00	N/A	0.275	2.021	2.296	2.302	N/A	100	100.3
6/30/01	N/A	0.458	1.725	2.183	2.524	N/A	100	119.8
6/30/02	N/A	0.476	1.977	2.453	2.310	N/A	100	92.8
6/30/03	N/A	0.561	2.645	3.206	2.786	N/A	100	84.1
6/30/04	N/A	0.765	2.760	3.525	2.975	N/A	100	80.1
6/30/05	N/A	0.920	2.731	3.651	3.212	N/A	100	83.9

Note:

¹ Includes accrued interest on member contributions.

Exhibit C – Sample Pay Increase Assumptions for Individual Members

Annual Percentage Increases Vary by Duration of Service ¹

Duration of Service	State Miscellaneous First & Second Tier			State Industrial First & Second Tier		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	13.35%	10.95%	8.25%	9.55%	8.85%	8.25%
3	8.95	8.05	6.55	8.15	7.75	7.35
5	7.25	6.75	5.85	7.35	7.15	6.95
10	4.95	4.85	4.45	6.05	5.85	5.75
15	4.25	4.15	3.95	5.15	5.05	4.95
20	3.85	3.85	3.75	4.55	4.45	4.35
25	3.55	3.55	3.45	3.85	3.85	3.85
30	3.25	3.25	3.25	3.25	3.25	3.25

Duration of Service	State Safety			State Peace Officer/Firefighter		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	7.55%	7.35%	7.15%	19.95%	18.55%	16.85%
3	6.15	5.65	4.85	9.05	8.85	8.25
5	5.55	5.05	4.05	6.85	6.65	6.05
10	4.85	4.35	3.55	4.65	4.55	4.35
15	4.35	4.05	3.45	4.15	4.05	4.05
20	3.95	3.75	3.45	3.85	3.75	3.75
25	3.65	3.55	3.35	3.55	3.55	3.55
30	3.25	3.25	3.25	3.25	3.25	3.25

Duration of Service	California Highway Patrol			School		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	9.05%	9.05%	9.05%	11.05%	9.85%	8.45%
3	6.25	6.25	6.25	7.75	7.25	6.45
5	5.15	5.15	5.15	6.55	6.25	5.55
10	3.95	3.95	3.95	4.75	4.65	4.35
15	3.75	3.75	3.75	4.15	4.05	3.75
20	3.55	3.55	3.55	3.85	3.75	3.45
25	3.45	3.45	3.45	3.55	3.55	3.35
30	3.25	3.25	3.25	3.25	3.25	3.25

Note:

¹ Increase includes the assumed inflation rate of 3.0 percent per year.

Exhibit C – Sample Pay Increase Assumptions for Individual Members (continued)

Annual Percentage Increases Vary by Duration of Service ¹

Duration of Service	Public Agency Miscellaneous			Public Agency Fire		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	14.45%	12.65%	10.05%	10.75%	10.75%	10.45%
3	9.05	8.25	6.95	8.25	7.75	6.25
5	7.25	6.75	5.85	7.15	6.45	4.75
10	5.05	4.85	4.35	5.35	4.85	3.75
15	4.55	4.35	3.85	4.35	4.15	3.65
20	4.15	3.95	3.55	3.95	3.85	3.45
25	3.65	3.65	3.45	3.55	3.55	3.35
30	3.25	3.25	3.25	3.25	3.25	3.25

Duration of Service	Public Agency Police			Public Agency County Peace Officer		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	11.15%	11.15%	11.15%	13.15%	13.15%	13.15%
3	7.45	7.25	6.65	8.45	7.95	7.35
5	6.15	5.75	5.05	6.85	6.25	5.55
10	4.75	4.45	3.65	4.85	4.45	4.05
15	4.35	4.15	3.55	4.35	4.05	3.85
20	3.95	3.85	3.45	3.95	3.85	3.65
25	3.65	3.55	3.35	3.65	3.55	3.45
30	3.25	3.25	3.25	3.25	3.25	3.25

Note:

¹ Increase includes the assumed inflation rate of 3.0 percent per year.

Exhibit D – Sample Non-Economic Assumptions

State Miscellaneous First Tier

Probability of an active member leaving due to:

Age ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02070	0.03520	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.01870	0.03190	N/A	N/A	0.00027	0.00014	0.00020	0.00050	N/A	N/A
30	0.01680	0.02860	N/A	N/A	0.00038	0.00021	0.00030	0.00100	N/A	N/A
35	0.01490	0.02530	N/A	N/A	0.00054	0.00031	0.00050	0.00140	N/A	N/A
40	0.01290	0.02210	N/A	N/A	0.00077	0.00046	0.00120	0.00220	N/A	N/A
45	0.01100	0.00000	N/A	N/A	0.00110	0.00068	0.00220	0.00350	N/A	N/A
50	0.00910	0.00000	0.00880	0.01870	0.00156	0.00102	0.00380	0.00560	N/A	N/A
55	0.00710	0.00000	0.03170	0.06730	0.00221	0.00151	0.00400	0.00700	N/A	N/A
56	0.00680	0.00000	0.02550	0.05410	0.00237	0.00164	0.00380	0.00690	N/A	N/A
57	0.00640	0.00000	0.03220	0.06830	0.00255	0.00178	0.00350	0.00680	N/A	N/A
58	0.00600	0.00000	0.04010	0.08510	0.00273	0.00192	0.00320	0.00650	N/A	N/A
59	0.00560	0.00000	0.04680	0.09940	0.00293	0.00208	0.00290	0.00610	N/A	N/A
60	0.00520	0.00000	0.06970	0.14790	0.00314	0.00226	0.00260	0.00570	N/A	N/A
61	0.00480	0.00000	0.06930	0.14710	0.00337	0.00244	0.00230	0.00530	N/A	N/A
62	0.00440	0.00000	0.12520	0.26590	0.00362	0.00265	0.00210	0.00490	N/A	N/A
63	0.00400	0.00000	0.14970	0.31790	0.00388	0.00287	0.00190	0.00460	N/A	N/A
64	0.00370	0.00000	0.09890	0.20990	0.00416	0.00310	0.00170	0.00420	N/A	N/A
65	0.00330	0.00000	0.14470	0.30730	0.00447	0.00336	0.00150	0.00380	N/A	N/A
70	0.00130	0.00000	0.10680	0.22680	0.00634	0.00500	0.00150	0.00380	N/A	N/A

State Miscellaneous Second Tier

Probability of an active member leaving due to:

Age ¹	Non-Vested Termination	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	10 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.08430	0.05890	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.07800	0.05260	N/A	N/A	0.00027	0.00014	0.00020	0.00040	N/A	N/A
30	0.07170	0.04630	N/A	N/A	0.00038	0.00021	0.00030	0.00060	N/A	N/A
35	0.06540	0.04000	N/A	N/A	0.00054	0.00031	0.00030	0.00170	N/A	N/A
40	0.05910	0.00000	N/A	N/A	0.00077	0.00046	0.00230	0.00410	N/A	N/A
45	0.05280	0.00000	N/A	N/A	0.00110	0.00068	0.00420	0.00680	N/A	N/A
50	0.04650	0.00000	0.01280	0.02210	0.00156	0.00102	0.00580	0.00990	N/A	N/A
55	0.04020	0.00000	0.04000	0.06890	0.00221	0.00151	0.00730	0.01230	N/A	N/A
56	0.03900	0.00000	0.03000	0.05170	0.00237	0.00164	0.00750	0.01260	N/A	N/A
57	0.03770	0.00000	0.04030	0.06950	0.00255	0.00178	0.00770	0.01290	N/A	N/A
58	0.03650	0.00000	0.05230	0.09020	0.00273	0.00192	0.00780	0.01310	N/A	N/A
59	0.03520	0.00000	0.03660	0.06310	0.00293	0.00208	0.00800	0.01330	N/A	N/A
60	0.03390	0.00000	0.05660	0.19750	0.00314	0.00226	0.00810	0.01340	N/A	N/A
61	0.03270	0.00000	0.06640	0.11440	0.00337	0.00244	0.00830	0.01340	N/A	N/A
62	0.03140	0.00000	0.15120	0.26050	0.00362	0.00265	0.00840	0.01340	N/A	N/A
63	0.03020	0.00000	0.09620	0.16590	0.00388	0.00287	0.00860	0.01340	N/A	N/A
64	0.02890	0.00000	0.12420	0.21410	0.00416	0.00310	0.00870	0.01340	N/A	N/A
65	0.02770	0.00000	0.21950	0.37830	0.00447	0.00336	0.00890	0.01330	N/A	N/A
70	0.02140	0.00000	0.14160	0.24400	0.00634	0.00500	0.00890	0.01330	N/A	N/A

Notes:

¹ Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

² Years of service.

Exhibit D – Sample Non-Economic Assumptions (continued)

California Highway Patrol

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.01150	20	0.00610	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00090	
1	0.01110	25	0.00610	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00170	
2	0.01080	30	0.00610	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00250	
3	0.01040	35	0.00610	N/A	N/A	0.00054	0.00031	0.00010	0.00013	0.00330	
4	0.01010	40	0.00610	N/A	N/A	0.00077	0.00046	0.00010	0.00017	0.00420	
5	0.00360	45	0.00000	N/A	N/A	0.00110	0.00068	0.00020	0.00020	0.00500	
6	0.00340	50	0.00000	0.00440	0.01320	0.00156	0.00102	0.00020	0.00023	0.00580	
7	0.00320	55	0.00000	0.02800	0.08400	0.00221	0.00151	0.00020	0.00027	0.11890	
8	0.00300	56	0.00000	0.02710	0.08130	0.00237	0.00164	0.00020	0.00027	0.11890	
9	0.00280	57	0.00000	0.02990	0.08970	0.00255	0.00178	0.00020	0.00028	0.11890	
10	0.00260	58	0.00000	0.02990	0.06860	0.00273	0.00192	0.00020	0.00029	0.11890	
15	0.00170	59	0.00000	0.04530	0.13580	0.00293	0.00208	0.00020	0.00029	0.11890	
20	0.00100	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00020	0.00030	0.11890	
25	0.00050	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00020	0.00031	0.11890	
30	0.00030	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00020	0.00031	0.11890	
35	0.00030	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00020	0.00032	0.11890	
40	0.00030	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00020	0.00033	0.11890	
45	0.00030	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00020	0.00033	0.11890	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00020	0.00037	0.11890	

School

Probability of an active member leaving due to:

Age ³	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ¹	5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male	Female	Male & Female	Male & Female
20	0.03470	0.05910	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.03110	0.05310	N/A	N/A	0.00027	0.00014	0.00020	0.00010	N/A	N/A
30	0.02760	0.04700	N/A	N/A	0.00038	0.00021	0.00040	0.00030	N/A	N/A
35	0.02400	0.04100	N/A	N/A	0.00054	0.00031	0.00080	0.00050	N/A	N/A
40	0.02050	0.03490	N/A	N/A	0.00077	0.00046	0.00140	0.00100	N/A	N/A
45	0.01690	0.00000	N/A	N/A	0.00110	0.00068	0.00280	0.00160	N/A	N/A
50	0.01340	0.00000	0.00710	0.01310	0.00156	0.00102	0.00500	0.00300	N/A	N/A
55	0.00980	0.00000	0.03840	0.07070	0.00221	0.00151	0.00720	0.00470	N/A	N/A
56	0.00910	0.00000	0.03140	0.05780	0.00237	0.00164	0.00740	0.00470	N/A	N/A
57	0.00840	0.00000	0.03370	0.06200	0.00255	0.00178	0.00750	0.00470	N/A	N/A
58	0.00770	0.00000	0.04020	0.07390	0.00273	0.00192	0.00740	0.00440	N/A	N/A
59	0.00700	0.00000	0.04570	0.08420	0.00293	0.00208	0.00730	0.00410	N/A	N/A
60	0.00630	0.00000	0.07290	0.13420	0.00314	0.00226	0.00710	0.00370	N/A	N/A
61	0.00560	0.00000	0.07210	0.13280	0.00337	0.00244	0.00690	0.00340	N/A	N/A
62	0.00490	0.00000	0.15120	0.27840	0.00362	0.00265	0.00660	0.00310	N/A	N/A
63	0.00410	0.00000	0.13630	0.25100	0.00388	0.00287	0.00630	0.00270	N/A	N/A
64	0.00340	0.00000	0.10600	0.19510	0.00416	0.00310	0.00600	0.00240	N/A	N/A
65	0.00270	0.00000	0.17970	0.33080	0.00447	0.00336	0.00570	0.00200	N/A	N/A
70	0.00040	0.00000	0.13080	0.24080	0.00634	0.00500	0.00570	0.00200	N/A	N/A

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

³ Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D – Sample Non-Economic Assumptions (continued)

State Safety

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.14320	20	0.01450	N/A	N/A	0.00019	0.00009	0.00040	0.00003	0.00020	
1	0.09160	25	0.01450	N/A	N/A	0.00027	0.00014	0.00060	0.00007	0.00090	
2	0.05070	30	0.01450	N/A	N/A	0.00038	0.00021	0.00070	0.00010	0.00180	
3	0.04150	35	0.01450	N/A	N/A	0.00054	0.00031	0.00080	0.00013	0.00270	
4	0.03230	40	0.01450	N/A	N/A	0.00077	0.00046	0.00080	0.00017	0.00360	
5	0.00850	45	0.00000	N/A	N/A	0.00110	0.00068	0.00120	0.00020	0.00440	
6	0.00790	50	0.00000	0.01610	0.04170	0.00156	0.00102	0.00240	0.00023	0.00530	
7	0.00740	55	0.00000	0.07790	0.20170	0.00221	0.00151	0.00340	0.00027	0.00800	
8	0.00690	56	0.00000	0.05590	0.14460	0.00237	0.00164	0.00360	0.00027	0.00800	
9	0.00640	57	0.00000	0.05840	0.15110	0.00255	0.00178	0.00380	0.00028	0.00800	
10	0.00590	58	0.00000	0.05260	0.13610	0.00273	0.00192	0.00390	0.00029	0.00800	
15	0.00380	59	0.00000	0.06260	0.16200	0.00293	0.00208	0.00410	0.00029	0.00800	
20	0.00220	60	0.00000	0.06710	0.17350	0.00314	0.00226	0.00430	0.00030	0.00800	
25	0.00090	61	0.00000	0.07020	0.18180	0.00337	0.00244	0.00440	0.00031	0.00800	
30	0.00050	62	0.00000	0.09290	0.24050	0.00362	0.00265	0.00460	0.00031	0.00800	
35	0.00050	63	0.00000	0.08570	0.22180	0.00388	0.00287	0.00480	0.00032	0.00800	
40	0.00050	64	0.00000	0.09140	0.23660	0.00416	0.00310	0.00490	0.00033	0.00800	
45	0.00050	65	0.00000	0.13180	0.34110	0.00447	0.00336	0.00510	0.00033	0.00800	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00510	0.00037	0.00800	

State Peace Officer/Firefighter

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.14320	20	0.01450	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00030	
1	0.09160	25	0.01450	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00150	
2	0.05070	30	0.01450	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00300	
3	0.04150	35	0.01450	N/A	N/A	0.00054	0.00031	0.00020	0.00013	0.00450	
4	0.03230	40	0.01450	N/A	N/A	0.00077	0.00046	0.00050	0.00017	0.00600	
5	0.00850	45	0.00000	N/A	N/A	0.00110	0.00068	0.00080	0.00020	0.00750	
6	0.00790	50	0.00000	0.01610	0.04170	0.00156	0.00102	0.00130	0.00023	0.00900	
7	0.00740	55	0.00000	0.07790	0.20170	0.00221	0.00151	0.00190	0.00027	0.02080	
8	0.00690	56	0.00000	0.05590	0.14460	0.00237	0.00164	0.00200	0.00027	0.02080	
9	0.00640	57	0.00000	0.05840	0.15110	0.00255	0.00178	0.00210	0.00028	0.02080	
10	0.00590	58	0.00000	0.05260	0.13610	0.00273	0.00192	0.00220	0.00029	0.02080	
15	0.00380	59	0.00000	0.06260	0.16200	0.00293	0.00208	0.00240	0.00029	0.02080	
20	0.00220	60	0.00000	0.06710	0.17350	0.00314	0.00226	0.00250	0.00030	0.02080	
25	0.00090	61	0.00000	0.07020	0.18180	0.00337	0.00244	0.00260	0.00031	0.02080	
30	0.00050	62	0.00000	0.09290	0.24050	0.00362	0.00265	0.00270	0.00031	0.02080	
35	0.00050	63	0.00000	0.08570	0.22180	0.00388	0.00287	0.00290	0.00032	0.02080	
40	0.00050	64	0.00000	0.09140	0.23660	0.00416	0.00310	0.00300	0.00033	0.02080	
45	0.00050	65	0.00000	0.13180	0.34110	0.00447	0.00336	0.00310	0.00033	0.02080	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00310	0.00037	0.02080	

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D – Sample Non-Economic Assumptions (continued)

Public Agency 2% at 55 Miscellaneous

Probability of an active member leaving due to:

Age ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02830	0.04820	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.02570	0.04390	N/A	N/A	0.00027	0.00014	0.00020	0.00020	N/A	N/A
30	0.02320	0.03950	N/A	N/A	0.00038	0.00021	0.00020	0.00040	N/A	N/A
35	0.02060	0.03510	N/A	N/A	0.00054	0.00310	0.00080	0.00100	N/A	N/A
40	0.01810	0.03070	N/A	N/A	0.00077	0.00460	0.00150	0.00160	N/A	N/A
45	0.01550	0.00000	N/A	N/A	0.00110	0.00068	0.00240	0.00230	N/A	N/A
50	0.01290	0.00000	0.01840	0.03070	0.00156	0.00102	0.00370	0.00350	N/A	N/A
55	0.01040	0.00000	0.06040	0.10080	0.00221	0.00151	0.00490	0.00410	N/A	N/A
56	0.00990	0.00000	0.05020	0.08380	0.00237	0.00164	0.00510	0.00410	N/A	N/A
57	0.00930	0.00000	0.05420	0.09050	0.00255	0.00178	0.00530	0.00410	N/A	N/A
58	0.00880	0.00000	0.06010	0.10030	0.00273	0.00192	0.00530	0.00400	N/A	N/A
59	0.00830	0.00000	0.06480	0.10820	0.00293	0.00208	0.00540	0.00390	N/A	N/A
60	0.00780	0.00000	0.09080	0.15160	0.00314	0.00226	0.00550	0.00390	N/A	N/A
61	0.00730	0.00000	0.09080	0.15160	0.00337	0.00244	0.00550	0.00380	N/A	N/A
62	0.00680	0.00000	0.01620	0.27040	0.00362	0.00265	0.00550	0.00370	N/A	N/A
63	0.00630	0.00000	0.16360	0.27310	0.00388	0.00287	0.00550	0.00360	N/A	N/A
64	0.00580	0.00000	0.11820	0.19740	0.00416	0.00310	0.00540	0.00350	N/A	N/A
65	0.00520	0.00000	0.22090	0.36880	0.00447	0.00336	0.00540	0.00330	N/A	N/A
70	0.00270	0.00000	0.15550	0.25960	0.00634	0.00500	0.00540	0.00330	N/A	N/A

Public Agency 2.5% at 55 Miscellaneous

Probability of an active member leaving due to:

Age ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	Male	Female	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02830	0.04820	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.02570	0.04390	N/A	N/A	0.00027	0.00014	0.00020	0.00020	N/A	N/A
30	0.02320	0.03950	N/A	N/A	0.00038	0.00021	0.00020	0.00040	N/A	N/A
35	0.02060	0.03510	N/A	N/A	0.00054	0.00310	0.00080	0.00100	N/A	N/A
40	0.01810	0.03070	N/A	N/A	0.00077	0.00460	0.00150	0.00160	N/A	N/A
45	0.01550	0.00000	N/A	N/A	0.00110	0.00068	0.00240	0.00230	N/A	N/A
50	0.01290	0.00000	0.05000	0.07000	0.00156	0.00102	0.00370	0.00350	N/A	N/A
55	0.01040	0.00000	0.08000	0.09000	0.00221	0.00151	0.00490	0.00410	N/A	N/A
56	0.00990	0.00000	0.06000	0.07000	0.00237	0.00164	0.00510	0.00410	N/A	N/A
57	0.00930	0.00000	0.07000	0.06000	0.00255	0.00178	0.00530	0.00410	N/A	N/A
58	0.00880	0.00000	0.08000	0.10000	0.00273	0.00192	0.00530	0.00400	N/A	N/A
59	0.00830	0.00000	0.09000	0.09000	0.00293	0.00208	0.00540	0.00390	N/A	N/A
60	0.00780	0.00000	0.16000	0.12000	0.00314	0.00226	0.00550	0.00390	N/A	N/A
61	0.00730	0.00000	0.15000	0.10000	0.00337	0.00244	0.00550	0.00380	N/A	N/A
62	0.00680	0.00000	0.26000	0.21000	0.00362	0.00265	0.00550	0.00370	N/A	N/A
63	0.00630	0.00000	0.22000	0.18000	0.00388	0.00287	0.00550	0.00360	N/A	N/A
64	0.00580	0.00000	0.15000	0.13000	0.00416	0.00310	0.00540	0.00350	N/A	N/A
65	0.00520	0.00000	0.25000	0.25000	0.00447	0.00336	0.00540	0.00330	N/A	N/A
70	0.00270	0.00000	1.00000	1.00000	0.00634	0.00500	0.00540	0.00330	N/A	N/A

Notes:

¹ Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

² Years of service.

Exhibit D – Sample Non-Economic Assumptions (continued)

Public Agency 2.7% at 55 Miscellaneous

Probability of an active member leaving due to:

Age ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	Male	Female	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02830	0.04820	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.02570	0.04390	N/A	N/A	0.00027	0.00014	0.00020	0.00020	N/A	N/A
30	0.02320	0.03950	N/A	N/A	0.00038	0.00021	0.00020	0.00040	N/A	N/A
35	0.02060	0.03510	N/A	N/A	0.00054	0.00031	0.00080	0.00100	N/A	N/A
40	0.01810	0.03070	N/A	N/A	0.00077	0.00046	0.00150	0.00160	N/A	N/A
45	0.01550	0.00000	N/A	N/A	0.00110	0.00068	0.00240	0.00230	N/A	N/A
50	0.01290	0.00000	0.05000	0.07000	0.00156	0.00102	0.00370	0.00350	N/A	N/A
55	0.01040	0.00000	0.09000	0.10000	0.00221	0.00151	0.00490	0.00410	N/A	N/A
56	0.00990	0.00000	0.07000	0.08000	0.00237	0.00164	0.00510	0.00410	N/A	N/A
57	0.00930	0.00000	0.08000	0.07000	0.00255	0.00178	0.00530	0.00410	N/A	N/A
58	0.00880	0.00000	0.08000	0.10000	0.00273	0.00192	0.00530	0.00400	N/A	N/A
59	0.00830	0.00000	0.10000	0.09000	0.00293	0.00208	0.00540	0.00390	N/A	N/A
60	0.00830	0.00000	0.17000	0.13000	0.00314	0.00226	0.00550	0.00390	N/A	N/A
61	0.00830	0.00000	0.16000	0.11000	0.00337	0.00244	0.00550	0.00380	N/A	N/A
62	0.00830	0.00000	0.28000	0.23000	0.00362	0.00265	0.00550	0.00370	N/A	N/A
63	0.00830	0.00000	0.23000	0.20000	0.00388	0.00287	0.00550	0.00360	N/A	N/A
64	0.00830	0.00000	0.16000	0.14000	0.00416	0.00310	0.00540	0.00350	N/A	N/A
65	0.00830	0.00000	0.27000	0.27000	0.00447	0.00336	0.00540	0.00330	N/A	N/A
70	0.00830	0.00000	1.00000	1.00000	0.00634	0.00500	0.00540	0.00330	N/A	N/A

Public Agency 3% at 60 Miscellaneous

Probability of an active member leaving due to:

Age ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	Male	Female	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02830	0.04820	N/A	N/A	0.00019	0.00009	0.00010	0.00010	N/A	N/A
25	0.02570	0.04390	N/A	N/A	0.00027	0.00014	0.00020	0.00020	N/A	N/A
30	0.02320	0.03950	N/A	N/A	0.00038	0.00021	0.00020	0.00040	N/A	N/A
35	0.02060	0.03510	N/A	N/A	0.00054	0.00031	0.00080	0.00100	N/A	N/A
40	0.01810	0.03070	N/A	N/A	0.00077	0.00046	0.00150	0.00160	N/A	N/A
45	0.01550	0.00000	N/A	N/A	0.00110	0.00068	0.00240	0.00230	N/A	N/A
50	0.01290	0.00000	0.05000	0.07000	0.00156	0.00102	0.00370	0.00350	N/A	N/A
55	0.01040	0.00000	0.08000	0.09000	0.00221	0.00151	0.00490	0.00410	N/A	N/A
56	0.00940	0.00000	0.07000	0.08000	0.00237	0.00164	0.00510	0.00410	N/A	N/A
57	0.00930	0.00000	0.08000	0.07000	0.00255	0.00178	0.00530	0.00410	N/A	N/A
58	0.00880	0.00000	0.09000	0.11000	0.00273	0.00192	0.00530	0.00400	N/A	N/A
59	0.00830	0.00000	0.11000	0.10000	0.00293	0.00208	0.00530	0.00390	N/A	N/A
60	0.00780	0.00000	0.19000	0.15000	0.00314	0.00226	0.00540	0.00390	N/A	N/A
61	0.00730	0.00000	0.17000	0.12000	0.00337	0.00244	0.00550	0.00380	N/A	N/A
62	0.00680	0.00000	0.31000	0.25000	0.00362	0.00265	0.00550	0.00370	N/A	N/A
63	0.00630	0.00000	0.26000	0.22000	0.00388	0.00287	0.00550	0.00360	N/A	N/A
64	0.00580	0.00000	0.18000	0.16000	0.00416	0.00310	0.00550	0.00350	N/A	N/A
65	0.00520	0.00000	0.30000	0.30000	0.00447	0.00336	0.00540	0.00330	N/A	N/A

Notes:

¹ Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

² Years of service.

Exhibit D – Sample Non-Economic Assumptions (continued)

Public Agency 2% at 50 Police

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.12990	20	0.01870	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00060	
1	0.08160	25	0.01870	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00280	
2	0.03480	30	0.01870	N/A	N/A	0.00038	0.00021	0.00020	0.00010	0.00560	
3	0.03310	35	0.01870	N/A	N/A	0.00054	0.00031	0.00030	0.00013	0.00840	
4	0.03140	40	0.01870	N/A	N/A	0.00077	0.00046	0.00040	0.00017	0.01120	
5	0.01100	45	0.00000	N/A	N/A	0.00110	0.00068	0.00050	0.00020	0.01400	
6	0.01010	50	0.00000	0.01380	0.02530	0.00156	0.00102	0.00080	0.00023	0.01670	
7	0.00920	55	0.00000	0.08990	0.16450	0.00221	0.00151	0.00130	0.00027	0.05810	
8	0.00840	56	0.00000	0.06380	0.11660	0.00237	0.00164	0.00150	0.00027	0.05810	
9	0.00760	57	0.00000	0.07110	0.13000	0.00255	0.00178	0.00160	0.00028	0.05810	
10	0.00680	58	0.00000	0.06280	0.11490	0.00273	0.00192	0.00180	0.00029	0.05810	
15	0.00350	59	0.00000	0.13960	0.17350	0.00293	0.00208	0.00200	0.00029	0.05810	
20	0.00220	60	0.00000	0.13960	0.17190	0.00314	0.00226	0.00200	0.00030	0.05810	
25	0.00150	61	0.00000	0.13960	0.17190	0.00337	0.00244	0.00200	0.00031	0.05810	
30	0.00120	62	0.00000	0.13960	0.17190	0.00362	0.00265	0.00200	0.00031	0.05810	
35	0.00120	63	0.00000	0.13960	0.17190	0.00388	0.00287	0.00200	0.00032	0.05810	
40	0.00120	64	0.00000	0.13960	0.17190	0.00416	0.00310	0.00200	0.00033	0.05810	
45	0.00120	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00200	0.00033	0.05810	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00200	0.00037	0.05810	

Public Agency 2% at 50 Fire

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.09470	20	0.01620	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00020	
1	0.07390	25	0.01620	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00100	
2	0.05310	30	0.01620	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00210	
3	0.03230	35	0.01620	N/A	N/A	0.00054	0.00031	0.00010	0.00013	0.00310	
4	0.02900	40	0.01620	N/A	N/A	0.00077	0.00046	0.00010	0.00017	0.00410	
5	0.00950	45	0.00000	N/A	N/A	0.00110	0.00068	0.00020	0.00020	0.00510	
6	0.00800	50	0.00000	0.00650	0.01010	0.00156	0.00102	0.00050	0.00023	0.00620	
7	0.00660	55	0.00000	0.08680	0.13360	0.00221	0.00151	0.00100	0.00027	0.06010	
8	0.00530	56	0.00000	0.07790	0.12000	0.00237	0.00164	0.00110	0.00027	0.06010	
9	0.00410	57	0.00000	0.09010	0.13870	0.00255	0.00178	0.00130	0.00028	0.06010	
10	0.00290	58	0.00000	0.07900	0.12170	0.00273	0.00192	0.00150	0.00029	0.06010	
15	0.00210	59	0.00000	0.07290	0.11230	0.00293	0.00208	0.00150	0.00029	0.06010	
20	0.00160	60	0.00000	0.11350	0.17470	0.00314	0.00226	0.00150	0.00030	0.06010	
25	0.00100	61	0.00000	0.11360	0.17490	0.00337	0.00244	0.00150	0.00031	0.06010	
30	0.00090	62	0.00000	0.11360	0.17490	0.00362	0.00265	0.00150	0.00031	0.06010	
35	0.00090	63	0.00000	0.11360	0.17490	0.00388	0.00287	0.00150	0.00032	0.06010	
40	0.00090	64	0.00000	0.11360	0.17490	0.00416	0.00310	0.00150	0.00033	0.06010	
45	0.00090	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00150	0.00033	0.06010	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00150	0.00037	0.06010	

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D – Sample Non-Economic Assumptions (continued)

Public Agency 3% at 50 Police

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.12990	20	0.01870	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00060	
1	0.08160	25	0.01870	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00280	
2	0.03480	30	0.01870	N/A	N/A	0.00038	0.00021	0.00020	0.00010	0.00560	
3	0.03310	35	0.01870	N/A	N/A	0.00054	0.00031	0.00030	0.00013	0.00840	
4	0.03140	40	0.01870	N/A	N/A	0.00077	0.00046	0.00040	0.00017	0.01120	
5	0.01100	45	0.00000	N/A	N/A	0.00110	0.00068	0.00050	0.00020	0.01400	
6	0.01010	50	0.00000	0.04350	0.12080	0.00156	0.00102	0.00080	0.00023	0.01670	
7	0.00920	55	0.00000	0.08980	0.24970	0.00221	0.00151	0.00130	0.00027	0.05810	
8	0.00840	56	0.00000	0.06870	0.19100	0.00237	0.00164	0.00150	0.00027	0.05810	
9	0.00760	57	0.00000	0.08030	0.22320	0.00255	0.00178	0.00160	0.00028	0.05810	
10	0.00680	58	0.00000	0.07910	0.21980	0.00273	0.00192	0.00180	0.00029	0.05810	
15	0.00350	59	0.00000	0.08200	0.22790	0.00293	0.00208	0.00200	0.00029	0.05810	
20	0.00220	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00200	0.00030	0.05810	
25	0.00150	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00200	0.00031	0.05810	
30	0.00120	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00200	0.00031	0.05810	
35	0.00120	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00200	0.00032	0.05810	
40	0.00120	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00200	0.00033	0.05810	
45	0.00120	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00200	0.00033	0.05810	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00200	0.00037	0.05810	

Public Agency 3% at 50 Fire

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.09470	20	0.01620	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00020	
1	0.07390	25	0.01620	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00100	
2	0.05310	30	0.01620	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00210	
3	0.03230	35	0.01620	N/A	N/A	0.00054	0.00031	0.00010	0.00013	0.00310	
4	0.02900	40	0.01620	N/A	N/A	0.00077	0.00046	0.00010	0.00017	0.00410	
5	0.00950	45	0.00000	N/A	N/A	0.00110	0.00068	0.00020	0.00020	0.00510	
6	0.00800	50	0.00000	0.03410	0.06790	0.00156	0.00102	0.00050	0.00023	0.00620	
7	0.00660	55	0.00000	0.12650	0.25160	0.00221	0.00151	0.00100	0.00027	0.06010	
8	0.00530	56	0.00000	0.12100	0.24070	0.00237	0.00164	0.00110	0.00027	0.06010	
9	0.00410	57	0.00000	0.10100	0.20100	0.00255	0.00178	0.00130	0.00028	0.06010	
10	0.00290	58	0.00000	0.11840	0.23540	0.00273	0.00192	0.00150	0.00029	0.06010	
15	0.00210	59	0.00000	0.10020	0.19930	0.00293	0.00208	0.00150	0.00029	0.06010	
20	0.00160	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00150	0.00030	0.06010	
25	0.00100	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00150	0.00031	0.06010	
30	0.00090	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00150	0.00031	0.06010	
35	0.00090	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00150	0.00032	0.06010	
40	0.00090	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00150	0.00033	0.06010	
45	0.00090	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00150	0.00033	0.06010	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00150	0.00037	0.06010	

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D – Sample Non-Economic Assumptions (continued)

Public Agency 3% at 55 Police

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.12990	20	0.01870	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00060	
1	0.08160	25	0.01870	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00280	
2	0.03480	30	0.01870	N/A	N/A	0.00038	0.00021	0.00020	0.00010	0.00560	
3	0.03310	35	0.01870	N/A	N/A	0.00054	0.00031	0.00030	0.00013	0.00840	
4	0.03140	40	0.01870	N/A	N/A	0.00077	0.00046	0.00040	0.00017	0.01120	
5	0.01100	45	0.00000	N/A	N/A	0.00110	0.00068	0.00050	0.00020	0.01400	
6	0.01010	50	0.00000	0.01930	0.03970	0.00156	0.00102	0.00080	0.00023	0.01670	
7	0.00920	55	0.00000	0.11640	0.23970	0.00221	0.00151	0.00130	0.00027	0.05810	
8	0.00840	56	0.00000	0.07560	0.15560	0.00237	0.00164	0.00150	0.00027	0.05810	
9	0.00760	57	0.00000	0.05810	0.11960	0.00255	0.00178	0.00160	0.00028	0.05810	
10	0.00680	58	0.00000	0.05080	0.10450	0.00273	0.00192	0.00180	0.00029	0.05810	
15	0.00350	59	0.00000	0.06250	0.12870	0.00293	0.00208	0.00200	0.00029	0.05810	
20	0.00220	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00200	0.00030	0.05810	
25	0.00150	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00200	0.00031	0.05810	
30	0.00120	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00200	0.00031	0.05810	
35	0.00120	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00200	0.00032	0.05810	
40	0.00120	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00200	0.00033	0.05810	
45	0.00120	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00200	0.00033	0.05810	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00200	0.00037	0.05810	

Public Agency 3% at 55 Fire

Probability of an active member leaving due to:

Years ¹	Termination with Refund	Age ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.09470	20	0.01620	N/A	N/A	0.00019	0.00009	0.00010	0.00003	0.00020	
1	0.07390	25	0.01620	N/A	N/A	0.00027	0.00014	0.00010	0.00007	0.00100	
2	0.05310	30	0.01620	N/A	N/A	0.00038	0.00021	0.00010	0.00010	0.00210	
3	0.03230	35	0.01620	N/A	N/A	0.00054	0.00031	0.00010	0.00013	0.00310	
4	0.02900	40	0.01620	N/A	N/A	0.00077	0.00046	0.00010	0.00017	0.00410	
5	0.00950	45	0.00000	N/A	N/A	0.00110	0.00068	0.00020	0.00020	0.00510	
6	0.00800	50	0.00000	0.00240	0.00550	0.00156	0.00102	0.00050	0.00023	0.00620	
7	0.00660	55	0.00000	0.09150	0.21090	0.00221	0.00151	0.00100	0.00027	0.06010	
8	0.00530	56	0.00000	0.08110	0.18680	0.00237	0.00164	0.00110	0.00027	0.06010	
9	0.00410	57	0.00000	0.09960	0.22950	0.00255	0.00178	0.00130	0.00028	0.06010	
10	0.00290	58	0.00000	0.08140	0.18740	0.00273	0.00192	0.00150	0.00029	0.06010	
15	0.00210	59	0.00000	0.07750	0.17840	0.00293	0.00208	0.00150	0.00029	0.06010	
20	0.00160	60	0.00000	1.00000	1.00000	0.00314	0.00226	0.00150	0.00030	0.06010	
25	0.00100	61	0.00000	1.00000	1.00000	0.00337	0.00244	0.00150	0.00031	0.06010	
30	0.00090	62	0.00000	1.00000	1.00000	0.00362	0.00265	0.00150	0.00031	0.06010	
35	0.00090	63	0.00000	1.00000	1.00000	0.00388	0.00287	0.00150	0.00032	0.06010	
40	0.00090	64	0.00000	1.00000	1.00000	0.00416	0.00310	0.00150	0.00033	0.06010	
45	0.00090	65	0.00000	1.00000	1.00000	0.00447	0.00336	0.00150	0.00033	0.06010	
50	0.00000	70	0.00000	1.00000	1.00000	0.00634	0.00500	0.00150	0.00037	0.06010	

Notes:

¹ Years of service.

² Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D – Sample Non-Economic Assumptions (continued)

Post-Retirement Mortality

Rates vary by age and sex. These rates are used for all plans.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job Related)		Industrially Disabled (Job Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

Exhibit E – Single Life Retirement Values

Present Value of \$1 Monthly Increasing 2 Percent Annually After Two-Year Waiting Period

Interest Rate of 7.75 Percent

Sample Attained Ages	Service Retirement		Non-Industrial Disability Retirement		Industrial Disability Retirement	
	Male	Female	Male	Female	Male	Female
50	165.521	174.244	135.257	148.232	156.682	166.398
51	163.311	172.352	132.953	146.352	154.435	164.484
52	161.021	170.384	130.637	144.446	152.085	162.506
53	158.664	168.337	128.319	142.512	149.611	160.464
54	156.230	166.208	126.006	140.549	146.993	158.356
55	153.703	164.000	123.703	138.553	144.226	156.181
56	151.085	161.713	121.416	136.518	141.307	153.938
57	148.364	159.337	119.141	134.443	138.256	151.619
58	145.535	156.891	116.876	132.324	135.100	149.237
59	142.621	154.371	114.613	130.160	131.863	146.791
60	139.644	151.743	112.340	127.948	128.556	144.253
61	136.587	149.026	110.048	125.686	125.179	141.636
62	133.534	146.224	107.726	123.367	121.743	138.943
63	130.430	143.324	105.363	120.987	118.253	136.163
64	127.215	140.356	102.950	118.538	114.716	133.314
65	123.939	137.321	100.479	116.014	111.144	130.397
70	106.509	121.097	87.219	102.144	93.361	114.726
75	88.409	102.761	72.937	86.467	76.557	97.060
80	70.189	82.996	58.900	70.227	61.616	78.251
85	53.609	63.697	45.752	54.499	47.825	59.984
90	39.105	46.331	34.182	40.363	35.636	43.609
95	29.196	32.701	24.408	28.311	25.324	30.547
100	21.418	22.847	16.466	18.558	16.958	20.932

Exhibit F – History of Member Salary Data

Valuation Date	Number of Active Members	Annual Covered Payroll (In Millions)	Average Annual Salary	% Increase In Average Pay
6/30/96	631,166	\$22,876	\$36,245	(4.6%)
6/30/97	584,735	21,712	37,131	2.4
6/30/98	620,643	22,174	35,727	(3.8)
6/30/99	668,700	25,324	37,870	6.0
6/30/00	707,585	28,098	39,709	4.9
6/30/01	738,959	30,802	41,683	5.0
6/30/02	766,824	32,873	42,869	2.8
6/30/03	778,203	34,784	44,697	4.3
6/30/04	760,498	35,078	46,126	3.2
6/30/05	756,234	36,045	47,664	3.3

Exhibit G – Members in Valuation

By Attained Age & Years of Service – June 30, 2005

State Miscellaneous First Tier

Attained Age	Distribution of Active Members by Age & Service						Total	Total Valuation Payroll
	Years of Service at Valuation Date							
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	1,694	17	0	0	0	0	1,711	\$42,032,108
25-29	5,900	1,073	10	0	0	0	6,983	250,433,464
30-34	6,738	3,778	503	24	0	0	11,043	486,679,059
35-39	7,102	5,031	2,656	1,009	21	0	15,819	773,776,256
40-44	6,590	5,376	3,751	4,188	1,190	83	21,178	1,103,129,221
45-49	6,083	5,233	3,838	5,075	3,825	2,293	26,347	1,410,856,611
50-54	5,193	4,577	3,586	5,161	4,150	6,335	29,002	1,623,518,535
55-59	3,621	3,303	2,786	3,877	3,209	6,653	23,449	1,364,602,496
60-64	1,532	1,502	1,245	1,682	1,231	2,772	9,964	586,533,295
65 & Up	765	630	479	611	335	776	3,596	202,003,876
Total	45,218	30,520	18,854	21,627	13,961	18,912	149,092	\$7,843,564,921

State Miscellaneous Second Tier

Attained Age	Distribution of Active Members by Age & Service						Total	Total Valuation Payroll
	Years of Service at Valuation Date							
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	16	1	0	0	0	0	17	\$411,432
25-29	98	255	2	0	0	0	355	13,027,058
30-34	95	792	187	6	0	0	1,080	45,302,116
35-39	113	873	621	140	0	0	1,747	75,889,803
40-44	83	824	702	433	69	4	2,115	95,139,752
45-49	91	712	578	386	184	127	2,078	94,883,660
50-54	76	510	429	340	134	287	1,776	82,759,105
55-59	56	336	311	194	73	280	1,250	60,044,384
60-64	36	147	124	82	25	90	504	23,105,158
65 & Up	43	71	68	32	4	44	262	11,498,701
Total	707	4,521	3,022	1,613	489	832	11,184	\$502,061,169

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Exhibit G – Members in Valuation (continued)

By Attained Age & Years of Service – June 30, 2005

State Industrial First & Second Tier

Attained Age	Distribution of Active Members by Age & Service						Total	Total Valuation Payroll
	Years of Service at Valuation Date							
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	104	1	0	0	0	0	105	\$2,846,062
25-29	357	101	0	0	0	0	458	14,364,781
30-34	418	280	45	0	0	0	743	26,603,357
35-39	497	391	187	53	1	0	1,129	43,669,091
40-44	503	448	250	139	43	0	1,383	57,527,953
45-49	477	475	300	216	76	32	1,576	68,417,802
50-54	380	385	281	237	80	47	1,410	63,682,394
55-59	237	319	196	161	74	46	1,033	47,818,153
60-64	99	125	123	86	24	15	472	22,009,309
65 & Up	27	55	61	19	4	7	173	9,044,323
Total	3,099	2,580	1,443	911	302	147	8,482	\$355,983,225

State Safety

Attained Age	Distribution of Active Members by Age & Service						Total	Total Valuation Payroll
	Years of Service at Valuation Date							
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	217	1	0	0	0	0	218	\$7,004,605
25-29	681	50	0	0	0	0	731	27,637,203
30-34	1,053	239	19	0	0	0	1,311	57,753,893
35-39	1,186	512	134	13	0	0	1,845	89,368,015
40-44	1,380	711	276	130	5	0	2,502	126,947,918
45-49	1,557	996	454	310	70	6	3,393	183,048,243
50-54	1,469	1,212	499	439	94	54	3,767	214,379,708
55-59	1,225	891	456	355	103	37	3,067	183,446,406
60-64	479	490	217	188	49	13	1,436	91,388,445
65 & Up	231	268	137	83	23	9	751	57,386,619
Total	9,478	5,370	2,192	1,518	344	119	19,021	\$1,038,361,055

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Exhibit G – Members in Valuation (continued)

By Attained Age & Years of Service – June 30, 2005

California Highway Patrol

Attained Age	Distribution of Active Members by Age & Service						Total	Total Valuation Payroll
	Years of Service at Valuation Date							
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	32	0	0	0	0	0	32	\$1,890,939
25-29	571	119	0	0	0	0	690	44,748,239
30-34	593	680	184	0	0	0	1,457	99,288,980
35-39	283	530	409	266	2	0	1,490	105,536,039
40-44	2	159	251	607	227	0	1,246	94,612,040
45-49	2	38	51	262	580	197	1,130	90,879,011
50-54	0	38	16	47	254	322	677	55,066,526
55-59	1	9	4	5	40	171	230	19,217,412
60-64	0	0	0	0	3	10	13	1,056,061
65&Up	0	0	0	0	0	0	0	—
Total	1,484	1,573	915	1,187	1,106	700	6,965	\$512,295,247

State Peace Officer/Firefighter

Attained Age	Distribution of Active Members by Age & Service						Total	Total Valuation Payroll
	Years of Service at Valuation Date							
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	998	1	0	0	0	0	999	\$27,942,674
25-29	3,056	612	0	0	0	0	3,668	176,142,525
30-34	2,572	2,824	360	3	0	0	5,759	331,572,371
35-39	1,846	2,879	1,966	355	0	0	7,046	443,028,545
40-44	1,257	2,036	2,275	2,093	359	0	8,020	538,804,936
45-49	795	1,580	1,786	1,936	943	151	7,191	503,887,159
50-54	563	959	1,172	1,364	706	519	5,283	387,321,560
55-59	287	503	611	741	365	265	2,772	203,095,380
60-64	73	163	183	272	100	45	836	59,674,394
65 & Up	12	20	38	68	20	6	164	11,626,580
Total	11,459	11,577	8,391	6,832	2,493	986	41,738	\$2,683,096,124

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Exhibit G – Members in Valuation (continued)

By Attained Age & Years of Service – June 30, 2005

School

Attained Age	Distribution of Active Members by Age & Service						Total	Total Valuation Payroll
	Years of Service at Valuation Date							
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	8,094	57	0	0	0	0	8,151	\$143,347,899
25-29	15,733	2,702	21	0	0	0	18,456	437,610,379
30-34	13,512	6,613	932	25	0	0	21,082	597,131,658
35-39	14,503	7,738	2,930	1,096	24	0	26,291	793,608,706
40-44	19,134	10,070	4,450	3,319	1,146	56	38,175	1,176,838,583
45-49	19,342	13,289	6,345	4,561	2,659	1,263	47,459	1,529,130,699
50-54	14,803	12,926	8,206	6,287	3,290	3,131	48,643	1,663,887,498
55-59	9,395	9,126	7,235	6,487	3,623	3,404	39,270	1,404,140,195
60-64	4,091	4,060	3,393	3,390	2,088	1,860	18,882	668,365,194
65 & Up	2,073	1,754	1,331	1,148	745	730	7,781	237,198,676
Total	120,680	68,335	34,843	26,313	13,575	10,444	274,190	\$8,651,259,487

Public Agency Miscellaneous

Attained Age	Distribution of Active Members by Age & Service						Total	Total Valuation Payroll
	Years of Service at Valuation Date							
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	5,852	51	0	0	0	0	5,903	\$156,028,148
25-29	11,928	2,020	17	0	0	0	13,965	540,071,044
30-34	11,930	5,513	905	31	0	0	18,379	866,996,821
35-39	11,288	7,064	3,115	1,394	51	0	22,912	1,189,639,712
40-44	11,360	7,404	4,667	4,572	1,095	93	29,191	1,619,200,567
45-49	10,487	7,738	5,267	5,956	3,200	1,254	33,902	1,982,624,489
50-54	8,628	6,838	4,823	5,702	3,210	2,905	32,106	1,839,322,060
55-59	6,103	5,031	3,660	4,377	2,500	2,513	24,184	1,571,801,201
60-64	2,550	2,313	1,646	1,952	980	1,493	10,934	647,707,932
65 & Up	1,141	902	615	676	406	402	4,142	206,345,268
Total	81,267	44,874	24,715	24,660	11,442	8,660	195,618	\$10,619,737,242

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Exhibit G – Members in Valuation (continued)

By Attained Age & Years of Service – June 30, 2005

Public Agency Safety

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & Up		
15-24	1,121	3	0	0	0	0	1,124	\$55,559,365
25-29	5,027	630	1	0	0	0	5,658	338,565,486
30-34	4,600	3,391	498	1	0	0	8,490	582,429,785
35-39	2,857	3,350	2,583	854	4	0	9,648	724,904,884
40-44	1,459	1,667	2,118	3,185	791	4	9,224	754,143,892
45-49	721	862	1,043	2,109	2,313	952	8,000	698,276,160
50-54	416	442	480	871	1,140	1,880	5,229	468,312,286
55-59	182	218	220	307	322	803	2,052	175,455,268
60-64	51	64	59	72	61	125	432	35,203,581
65 & Up	14	17	15	12	6	23	87	6,190,993
Total	16,448	10,644	7,017	7,411	4,637	3,787	49,944	\$3,839,041,700

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Exhibit H – Schedule of Retirees & Beneficiaries Added to & Removed from Rolls

Year Ended	Added to Rolls		Removed from Rolls		Rolls - End of Year		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
PERF								
6/30/03	26,901	\$777,170,000	13,892	\$183,532,000	396,151	\$7,232,218,000	8.9%	\$18,256
6/30/04	31,407	945,374,000	14,586	199,427,000	412,972	7,978,465,000	10.3	19,320
6/30/05	33,761	865,883,000	15,482	221,581,000	431,161	8,867,359,000	11.1	20,566
JRF								
6/30/03	103	\$10,266,000	53	\$4,054,000	1,523	\$116,242,000	5.6%	\$76,325
6/30/04	98	7,262,000	64	4,743,000	1,557	121,941,000	4.9	78,267
6/30/05	122	9,586,000	73	5,973,000	1,606	130,712,000	7.2	81,390
JRF II								
6/30/03	3	\$279,000	—	\$ —	3	\$279,000	N/A	\$93,000
6/30/04	3	223,000	—	\$ —	6	647,000	131.9%	107,833
6/30/05	3	314,000	—	\$ —	9	961,000	48.5	106,778
LRF								
6/30/03	11	\$608,000	10	\$199,000	264	\$7,076,000	6.1%	\$26,804
6/30/04	11	502,000	13	433,000	262	7,146,000	1.0	27,274
6/30/05	13	416,000	9	290,000	266	7,534,000	5.4	28,323

Note:

These total counts and allowances are for service, disability, and industrial retirement, special death, 1957 Survivor, Pre-Retirement Option 2, and 1959 Survivor beneficiaries and non-members. This information was reviewed by the CalPERS Actuarial staff and appears to be reasonable.

Actuarial Certifications — Other Systems

Judges' Retirement System

April 2006

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Judges' Retirement System; the latest such valuation is as of June 30, 2005.

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System, as of June 30, 2005. Based on the employee data provided by the CalPERS Judges', Legislators', and Volunteer Firefighters' Office, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods, as prescribed by the CalPERS Board of Administration, are reasonable for the System.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.



Gale D. Patrick, F.S.A., M.A.A.A.
Enrolled Actuary
Senior Pension Actuary, CalPERS



Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Judges' Retirement System II

April 2006

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Judges' Retirement System II; the latest such valuation is as of June 30, 2005.

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System II, as of June 30, 2005. Based on the employee data provided by the Judges' Retirement System administrative staff at CalPERS, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for this plan.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.



Nancy E. Campbell, A.S.A., M.A.A.A.
Enrolled Actuary
Senior Pension Actuary, CalPERS



Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Actuarial Certifications — Other Systems (continued)

Legislators' Retirement System

May 2006

Actuarial Certification

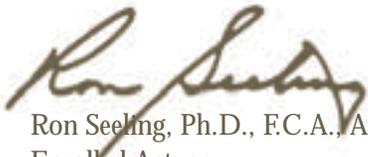
As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Legislators' Retirement System; the latest such valuation is as of June 30, 2005.

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Legislators' Retirement System. Based on the employee data provided by the CalPERS Judges', Legislators', and Volunteer Firefighters' Office, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits plans as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for the System.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.



David Clement, A.S.A., E.A., M.A.A.A.
Associate Pension Actuary, CalPERS



Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Volunteer Firefighters' Length of Service Award System

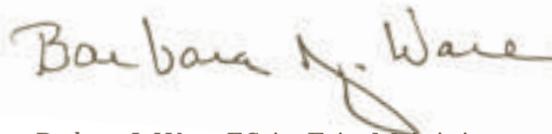
April 2006

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Volunteer Firefighters' Length of Service Award System; the latest such valuation is as of June 30, 2005.

To the best of our knowledge, this report is complete and accurate and contains sufficient information to disclose fully and fairly the funded condition of the Volunteer Firefighters' Length of Service Award System (VFLSAS). Based on the participant and expense data provided by the Manager of the Volunteer Firefighters' System, the statement of assets provided by the CalPERS Fiscal Services Division, and the provisions of the system as outlined in Exhibit 7, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for this plan.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.



Barbara J. Ware, F.S.A., E.A., M.A.A.A.
Senior Pension Actuary, CalPERS



Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

The actuarial report and supporting documents for the Judges' Retirement System, Judges' Retirement System II, Legislators' Retirement System, and the Volunteer Firefighters' Length of Service Award System can be obtained through the CalPERS Actuarial and Employer Services Division, P.O. Box 942709, Sacramento, CA 94229-2709.

Statistical Section

Retirement Programs

We develop and administer quality, sustainable retirement and health benefit programs that are responsive to and valued by our members and employers.

Expenses by Type — Retirement Programs

10-Year Review

	Benefit Payments	Contribution Refunds	Administrative Expenses ¹	Total
PERF				
2005/06	\$9,236,073,498	\$170,929,432	\$250,251,822	\$9,657,254,752
2004/05	8,434,118,614	155,236,438	208,965,422	8,798,320,474
2003/04	7,639,085,017	151,526,342	188,361,466	7,978,972,825
2002/03	6,991,913,800	114,024,930	214,274,159	7,320,212,889
2001/02	6,431,019,116	103,385,701	208,687,613	6,743,092,430
2000/01	5,792,948,968	128,865,380	183,865,981	6,105,680,329
1999/00	5,176,073,695	140,644,318	175,050,565	5,491,768,578
1998/99	4,776,869,300	160,841,290	145,814,177	5,083,524,767
1997/98	4,425,923,411	160,964,495	128,583,553	4,715,471,459
1996/97	4,097,295,852	153,688,959	108,257,064	4,359,241,875
LRF				
2005/06	\$7,313,656	\$823,190	\$294,578	\$8,431,424
2004/05	7,791,569	979,315	318,547	9,089,431
2003/04	7,051,153	214,184	280,835	7,546,172
2002/03	6,851,580	247,755	220,020	7,319,355
2001/02	6,716,646	—	244,854	6,961,500
2000/01	6,782,467	169,520	234,926	7,186,913
1999/00	6,630,188	163,535	206,000	6,999,723
1998/99	6,855,856	175,155	203,580	7,234,591
1997/98	6,280,344	49,569	203,601	6,533,514
1996/97	6,010,347	479,747	255,234	6,745,328
JRF				
2005/06	\$133,587,831	\$323,254	\$171,406	\$134,082,491
2004/05	126,608,787	88,239	1,061,257	127,758,283
2003/04	121,603,708	238,097	719,312	122,561,117
2002/03	113,937,606	82,530	506,224	114,526,360
2001/02	109,543,399	—	391,760	109,935,159
2000/01	99,423,624	—	379,818	99,803,442
1999/00	90,170,743	—	360,000	90,530,743
1998/99	82,503,531	49,456	354,000	82,906,987
1997/98	77,203,643	64,610	355,600	77,623,853
1996/97	74,445,877	641,840	354,000	75,441,717

Note:

¹ Excludes investment advisor fees; includes other expenses.

Expenses by Type — Retirement Programs (continued)

10-Year Review

	Benefit Payments	Contribution Refunds	Administrative Expenses ¹	Total
JRF II				
2005/06	\$859,449	\$750,206	\$406,157	\$2,015,812
2004/05	903,641	339,940	425,157	1,668,738
2003/04	584,375	203,219	414,258	1,201,852
2002/03	307,365	891,986	320,226	1,519,577
2001/02	117,545	91,536	289,622	498,703
2000/01	142,234	34,369	283,767	460,370
1999/00	225,607	22,198	175,213	423,018
1998/99	192,697	—	172,000	364,697
1997/98	205,880	—	—	205,880
1996/97	18,736	—	—	18,736
VFF				
2005/06	\$102,550	\$ —	\$105,398	\$207,948
2004/05	82,265	—	100,144	182,409
2003/04	58,630	—	168,997	227,627
2002/03	76,883	—	116,379	193,262
2001/02	66,413	—	78,592	145,005
2000/01	55,785	—	76,218	132,003
1999/00	41,438	—	75,000	116,438
1998/99	27,015	—	10,000	37,015
1997/98	26,445	—	10,000	36,445
1996/97	11,903	—	9,990	21,893
SPOFF				
2005/06	\$6,578,589	\$ —	\$ —	\$6,578,589
2004/05	5,352,708	—	—	5,352,708
2003/04	4,350,947	—	—	4,350,947
2002/03	4,084,127	—	—	4,084,127
2001/02	3,361,147	—	—	3,361,147
2000/01	1,879,169	—	—	1,879,169
1999/00	—	—	—	—
1998/99	—	—	—	—

Note:

¹ Excludes investment advisor fees.

Revenues by Source — Retirement Programs

10-Year Review

	Member Contributions	Employer Contributions	Investment Income	Miscellaneous Income	Total
PERF					
2005/06	\$3,080,878,521	\$6,095,029,424	\$22,041,265,666	\$ —	\$31,217,173,611
2004/05	3,176,780,369	5,774,120,281	21,893,728,292	473,234	30,845,102,176
2003/04	2,266,445,429	4,261,347,422	24,265,850,297	6,722,984	30,800,366,132
2002/03	1,887,925,497	1,925,043,858	5,474,083,608	8,647,960	9,295,700,923
2001/02	2,154,742,532	800,964,553	(9,704,478,936)	4,686,138	(6,744,085,713)
2000/01	1,766,256,113	321,618,826	(12,255,822,322)	7,480,923	(10,160,466,460)
1999/00	1,751,290,172	362,614,344	16,579,088,181	3,569,729	18,696,562,426
1998/99	1,522,507,527	1,598,316,666	17,621,490,197	1,036,725	20,743,351,115
1997/98	1,443,232,566	2,289,526,403	23,515,372,967	3,531,902	27,251,663,838
1996/97	1,379,743,571	1,986,282,287	20,147,569,883	308,296,547	23,821,892,288
LRF					
2005/06	\$160,343	\$ —	\$3,808,413	\$ —	\$3,968,756
2004/05	19,687	—	12,575,845	504	12,596,036
2003/04	55,639	—	11,094,703	—	11,150,342
2002/03	21,946	—	10,274,104	—	10,296,050
2001/02	14,161	—	(3,781,146)	—	(3,766,985)
2000/01	33,461	—	280,786	—	314,247
1999/00	178,860	339,351	9,788,721	—	10,306,932
1998/99	290,360	661,086	14,141,442	—	15,092,888
1997/98	312,546	674,777	22,924,284	58,708	23,970,315
1996/97	303,190	2,470,417	19,181,419	—	21,955,026
JRF					
2005/06	\$10,314,771	\$120,576,080	\$959,163	\$2,874,216	\$134,724,230
2004/05	10,417,159	127,077,837	233,433	2,663,340	140,391,769
2003/04	11,262,935	107,317,942	58,874	4,020,398	122,660,149
2002/03	11,109,214	98,584,637	11,722	4,337,501	114,043,074
2001/02	11,713,777	65,319,883	1,002,742	4,521,326	82,557,728
2000/01	11,377,068	91,019,008	3,754,582	4,509,380	110,660,038
1999/00	11,251,836	74,079,308	2,513,315	4,354,631	92,199,090
1998/99	11,098,731	84,352,990	1,776,583	4,121,354	101,349,658
1997/98	11,189,380	56,215,389	995,548	4,484,772	72,885,089
1996/97	11,837,184	56,361,102	1,266,708	—	69,464,994

Revenues by Source — Retirement Programs (continued)

10-Year Review

	Member Contributions	Employer Contributions	Investment Income	Miscellaneous Income	Total
JRF II					
2005/06	\$9,584,229	\$24,069,471	\$15,473,801	\$ —	\$49,127,501
2004/05	8,217,015	21,195,508	14,815,759	—	44,228,282
2003/04	8,131,412	18,239,777	13,431,593	—	39,802,782
2002/03	6,717,482	15,322,632	4,803,138	—	26,843,252
2001/02	5,290,599	12,487,052	(3,870,979)	—	13,906,672
2000/01	4,196,862	9,754,298	(2,863,230)	—	11,087,930
1999/00	3,209,544	7,460,518	2,734,601	—	13,404,663
1998/99	2,733,245	7,354,353	2,393,724	—	12,481,322
1997/98	1,948,588	5,455,217	1,803,800	—	9,207,605
1996/97	1,197,298	3,026,029	649,854	—	4,873,180
VFF					
2005/06	\$ —	\$307,527	\$283,854	\$ —	\$591,381
2004/05	—	211,043	241,436	—	452,479
2003/04	—	223,225	251,913	—	475,138
2002/03	—	497,076	106,257	—	603,333
2001/02	—	93,889	(200,067)	—	(106,178)
2000/01	—	193,530	(110,985)	—	82,545
1999/00	—	202,395	130,123	—	332,518
1998/99	—	50,916	257,919	—	308,835
1997/98	—	166,708	323,592	—	490,300
1996/97	—	162,880	244,392	—	407,272
SPOFF					
2005/06	\$ —	\$8,932,917	\$16,516,723	\$ —	\$25,449,640
2004/05	—	41,406,166	15,284,243	—	56,690,409
2003/04	—	40,894,189	17,971,153	—	58,865,342
2002/03	—	35,047,115	5,069,041	—	40,116,156
2001/02	—	34,171,776	(7,286,207)	—	26,885,569
2000/01	—	33,236,879	(4,457,441)	—	28,779,438
1999/00	—	30,011,229	2,205,566	—	32,216,795
1998/99	—	15,518,376	529,477	—	16,047,853

Changes in Net Assets — Retirement Programs

10-Year Review

(Dollars in Thousands)

	Additions	Deductions	Net Change	Net Assets	
				Beginning of Year	End of Year
PERF					
2005/06	\$31,217,173	\$9,657,253	\$21,559,920	\$189,630,881	\$211,190,801
2004/05	30,845,102	8,798,320	22,046,782	167,584,099	189,630,881
2003/04	30,800,365	7,978,972	22,821,393	144,762,706	167,584,099
2002/03	9,295,701	7,320,213	1,975,488	142,787,218	144,762,706
2001/02	(6,744,086)	6,743,093	(13,487,179)	156,274,397	142,787,218
2000/01	(10,160,466)	6,105,681	(16,266,147)	172,540,544	156,274,397
1999/00	18,696,562	5,513,803	13,182,759	159,357,785	172,540,544
1998/99	20,743,350	5,083,524	15,659,826	143,697,959	159,357,785
1997/98	27,251,663	4,715,472	22,536,191	121,161,768	143,697,959
1996/97	23,821,892	4,359,241	19,462,651	101,699,117	121,161,768
LRF					
2005/06	\$3,968	\$8,432	(\$4,464)	\$138,095	\$133,631
2004/05	12,596	9,089	3,507	134,588	138,095
2003/04	11,150	7,546	3,604	130,984	134,588
2002/03	10,296	7,319	2,977	128,007	130,984
2001/02	(3,767)	6,962	(10,729)	138,736	128,007
2000/01	314	7,186	(6,872)	145,608	138,736
1999/00	10,307	7,000	3,307	142,301	145,608
1998/99	15,093	7,234	7,859	134,442	142,301
1997/98	23,970	6,460	17,510	116,932	134,442
1996/97	21,955	6,745	15,210	101,722	116,932
JRF					
2005/06	\$134,724	\$134,082	\$642	\$17,244	\$17,886
2004/05	140,392	127,758	12,634	4,610	17,244
2003/04	122,659	122,561	98	4,512	4,610
2002/03	114,043	114,526	(483)	4,995	4,512
2001/02	82,558	109,935	(27,377)	32,372	4,995
2000/01	110,660	99,804	10,856	21,516	32,372
1999/00	92,199	90,531	1,668	19,848	21,516
1998/99	101,351	82,907	18,444	1,404	19,848
1997/98	72,885	77,624	(4,739)	6,143	1,404
1996/97	69,038	75,442	(6,404)	12,547	6,143

Changes in Net Assets — Retirement Programs (continued)

10-Year Review

(Dollars in Thousands)

	Additions	Deductions	Net Change	Net Assets	
				Beginning of Year	End of Year
JRF II					
2005/06	\$49,127	\$2,015	\$47,112	\$171,874	\$218,986
2004/05	44,228	1,669	42,559	129,315	171,874
2003/04	39,802	1,201	38,601	90,714	129,315
2002/03	26,843	1,519	25,324	65,390	90,714
2001/02	13,907	499	13,408	51,982	65,390
2000/01	11,088	460	10,628	41,354	51,982
1999/00	13,404	423	12,981	28,373	41,354
1998/99	12,481	365	12,116	16,257	28,373
1997/98	9,208	193	9,015	7,242	16,257
1996/97	4,873	19	4,854	2,388	7,242
VFF					
2005/06	\$592	\$208	\$384	\$3,050	\$3,434
2004/05	452	182	270	2,780	3,050
2003/04	475	228	247	2,533	2,780
2002/03	603	193	410	2,123	2,533
2001/02	(106)	145	(251)	2,374	2,123
2000/01	83	132	(49)	2,423	2,374
1999/00	333	117	216	2,207	2,423
1998/99	308	37	271	1,936	2,207
1997/98	491	37	454	1,482	1,936
1996/97	407	21	386	1,096	1,482
SPOFF					
2005/06	\$25,450	\$6,578	\$18,872	\$240,573	\$259,445
2004/05	56,691	5,353	51,338	189,235	240,573
2003/04	58,865	4,351	54,514	134,721	189,235
2002/03	40,116	4,084	36,032	98,689	134,721
2001/02	26,885	3,361	23,524	75,165	98,689
2000/01	29,166	2,266	26,900	48,265	75,165
1999/00	32,431	214	32,217	16,048	48,265
1998/99	16,048	—	16,048	—	16,048

Membership & Retirement Data — Retirement Programs

10-Year Review

Public Employees' Retirement System

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Active & Inactive Members										
State Members										
Miscellaneous	214,721	219,919	227,096	231,693	227,522	219,095	208,227	196,811	190,901	189,038
University of California	111	127	92	244	258	281	347	420	485	588
Industrial	11,695	11,032	10,067	11,000	10,997	11,390	10,960	9,970	10,350	9,811
ARP	13,955	—	—	—	—	—	—	—	—	—
Highway Patrol	6,968 ¹	11,359	10,236	11,959	11,754	6,668	6,542	6,529	6,491	6,555
Safety	23,129	21,750	16,714	17,782	17,478	16,390	15,521	15,183	13,754	11,218
Peace Officer/Firefighter	46,605	46,485	44,740	46,599	45,801	42,950	40,675	39,790	38,454	38,637
Total State Members	317,184	310,672	309,485	319,277	313,810	296,774	282,272	268,703	259,625	255,827
Public Agency Members										
Schools	394,911	380,374	372,614	373,171	358,837	337,160	316,862	295,421	274,826	261,298
Cities	166,192	161,515	158,884	160,155	154,871	144,557	136,705	131,593	127,570	124,848
Counties	92,013	88,717	87,468	89,838	87,887	80,743	74,921	70,442	66,067	63,180
Districts & Other Public Agencies	78,595	75,704	73,616	71,919	66,772	57,398	53,021	50,353	48,245	45,559
Total Public Agency Members	731,711	706,310	692,582	695,083	688,367	619,858	581,509	547,809	516,708	494,885
Total Active & Inactive Members	1,048,895	1,016,982	1,002,067	1,014,360	982,177	916,632	863,781	816,512	776,333	750,712
Benefit Recipients										
Service Retirement	367,737	353,212	341,348	326,163	313,762	303,427	292,402	282,771	273,934	266,018
Disability Retirement	42,383	41,857	42,064	41,808	41,036	40,207	38,925	37,389	35,754	34,284
Industrial Disability Retirement	31,157	30,025	29,320	28,180	26,948	25,644	24,363	23,181	21,934	21,010
Industrial Death	995	972	958	946	931	928	914	890	849	835
1957 Survivor Benefit	3,074	2,960	2,881	2,802	2,714	2,625	2,568	2,520	2,482	2,409
1959 Survivor Benefit	2,925	2,875	2,880	2,841	2,735	2,709	2,656	2,491	2,463	2,436
Total Benefit Recipients	448,271²	431,901	416,783	402,740	388,126	375,540	361,828	349,242	337,416	326,992
Total Members	1,497,166	1,448,883	1,418,850	1,417,100	1,370,303	1,292,172	1,225,609	1,165,754	1,113,749	1,077,704

Legislators' Retirement System

Active & Inactive Members

Members of the Legislature	27	28	35	38	47	48	58	62	72	77
Constitutional Officers	15	15	18	18	15	16	18	16	14	14
Legislative Statutory Officers	4	4	4	4	4	4	4	4	4	4
Total Active & Inactive Members	46	47	57	60	66	68	80	82	90	95

Benefit Recipients

Members of the Legislature

Service Retirement	227	228	221	219	219	223	213	211	212	211
Disability Retirement	6	6	7	7	7	8	9	9	9	9
Pre-Retirement Option 2	—	—	—	2	2	2	2	2	2	2
Total Members of the Legislature	233	234	228	228	228	233	224	222	223	222

Constitutional Officers

Service Retirement	22	23	25	26	25	29	31	32	32	31
Disability Retirement	1	1	1	1	1	1	1	1	1	1
Pre-Retirement Option 2	2	2	2	2	2	2	2	2	3	3
Total Constitutional Officers	25	26	28	29	28	32	34	35	36	35

Legislative Statutory Officers

Service Retirement	5	6	6	7	7	7	7	7	7	7
Disability Retirement	—	—	—	—	—	—	—	—	—	—
Pre-Retirement Option 2	—	—	—	—	—	—	—	—	—	—
Total Legislative Statutory Officers	5	6	6	7						
Total Benefit Recipients	263	266	262	264	263	272	265	264	266	264
Total Members	309	313	319	324	329	340	345	346	356	359

Membership & Retirement Data — Retirement Programs (continued)

10-Year Review

Judges' Retirement System

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Active & Inactive Members										
Active Judges & Deferred										
Retirement Judges	825	917	983	1,039	1,125	1,164	1,241	1,294	1,352	1,424
Total Active & Inactive Members	825	917	983	1,039	1,125	1,164	1,241	1,294	1,352	1,424
Benefit Recipients										
Service Retirement	607	612	610	609	601	598	576	565	284	574
Disability Retirement	50	48	48	51	52	55	57	58	54	54
Deferred Retirement	618	673	672	667	654	650	645	633	616	576
Optional Settlement Benefit	306	196	154	120	92	70	53	47	34	32
Pre-Retirement Survivor	79	77	74	76	77	76	78	79	78	76
Total Benefit Recipients	1,660	1,606	1,558	1,523	1,476	1,449	1,409	1,382	1,066	1,312
Total Members	2,485	2,523	2,541	2,562	2,601	2,613	2,650	2,676	2,418	2,736

Judges' Retirement System II

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Active & Inactive Members										
Active Judges										
Active Judges	831	748	690	624	531	462	353	334	278	202
Total Active & Inactive Members	831	748	690	624	531	462	353	334	278	202
Benefit Recipients										
Service Retirement	1	1	2	—	—	—	—	—	—	—
Disability Retirement	2	1	—	—	—	—	—	—	—	—
Optional Settlement Benefit	3	—	—	—	—	—	—	—	—	—
Pre-Retirement Survivor	7	7	4	3	1	1	2	2	—	—
Total Benefit Recipients	13	9	6	3	1	1	2	2	—	—
Total Members	844	757	696	627	532	463	355	336	278	202

Volunteer Firefighters' Length of System Award System

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Active & Inactive Members										
Active & Inactive Firefighters										
Active & Inactive Firefighters	4,173	3,549	3,553	3,483	3,151	3,149	2,907	2,140	2,144	2,100
Total Active & Inactive Members	4,173	3,549	3,553	3,483	3,151	3,149	2,907	2,140	2,144	2,100
Benefit Recipients										
Firefighters Receiving Awards										
Firefighters Receiving Awards	128	117	80	70	59	55	37	26	23	14
Total Benefit Recipients	128	117	80	70	59	55	37	26	23	14
Total Members	4,301	3,666	3,633	3,553	3,210	3,204	2,944	2,166	2,167	2,114

Notes:

¹ Starting with the June 30, 2006 Comprehensive Annual Financial Report, CalPERS changed the mechanism for reporting this category.

² This total differs from Total Benefit Recipients on page 137. Total Benefit Recipients shown here include Active Death Benefits paid as a result of a member death prior to retirement.

CalPERS Program Data

Primary Benefits

Benefits are paid according to the category of employment and the type of benefit coverage provided by an employer. Local agencies have variations in benefits due to their specific contract obligations with CalPERS.

The four categories of membership are:

Miscellaneous Members — staff, operational, supervisory, and all other eligible employees who are not in special membership categories.

Safety Members — California Highway Patrol officers, police officers, firefighters, and other employees whose principal duties are in active law enforcement or fire prevention and suppression work, or who occupy positions designated by law as safety member positions.

State Industrial Members — employees of the Department of Corrections and the California Youth Authority who have the same service retirement and other benefits as miscellaneous members, but who also have industrial death and disability benefits under certain limited circumstances.

State Peace Officer/Firefighter Members — State employees who are involved in law enforcement, firefighting and fire suppression, public safety, protective services, or the management and supervision thereof, whose positions are defined as State peace officer/firefighter members in the Government Code or by the Department of Personnel Administration.

Separation from Employment/Refunds

At permanent separation from employment, members may either leave their contributions on deposit and defer retirement¹ or terminate membership by electing to take a refund of member contributions plus interest (compounded annually). With a refund election, CalPERS is required to deduct federal withholding of 20 percent from the untaxed portion of the refund, unless the taxable portion is directly rolled over to a qualified plan or IRA.

Service Retirement

State Miscellaneous & State Industrial Members (First Tier), School Members & University Members
2 Percent at 55 Formula

Service not coordinated with Social Security — A guarantee of 2 percent of final compensation² at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 55 with an increased benefit rate to age 63.

Service coordinated with Social Security — Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation³ before benefits are determined.

Local Miscellaneous Members 2 Percent at 60 Formula

Service not coordinated with Social Security — A guarantee of 2 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 60 with an increased benefit rate to age 63.

Service coordinated with Social Security — Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Notes:

¹ A member with less than the required amount of service credit must return to CalPERS-covered employment to obtain the minimum service credit required to be eligible for retirement.

² The term “final compensation” appears throughout this section. It means the average payrate and special compensation over the last three consecutive years of employment (or one year for State and school members or as a contract option for local members) unless the member elects a different period with a higher average.

³ School member final compensation for service earned on and after January 1, 2001 is not subject to reduction.

CalPERS Program Data (continued)

State Miscellaneous & State Industrial Members (Second Tier) 1.25 Percent at 65 Formula

A guarantee of 1.25 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55, or as early as age 50 (if there is a combination of First Tier and Second Tier service; a reduced benefit rate will apply).

Local Miscellaneous Members (Second Tier) 1.5 Percent at 65 Formula

A guarantee of 1.50 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55, or as early as age 50 if there is a combination of First Tier and Second Tier service (a reduced benefit rate will apply).

Local Miscellaneous Members 2 Percent at 55 Formula

Service not coordinated with Social Security — A guarantee of 2 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 55 with an increased benefit rate to age 63.

Service coordinated with Social Security — Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Miscellaneous Members 2.5 Percent at 55 Formula

Service not coordinated with Social Security — A guarantee of 2.5 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.

Service coordinated with Social Security — Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Miscellaneous Members 2.7 Percent at 55 Formula

Service not coordinated with Social Security — A guarantee of 2.7 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.

Service coordinated with Social Security — Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Miscellaneous Members 3 Percent at 60 Formula

Service not coordinated with Social Security — A guarantee of 3 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.

Service coordinated with Social Security — Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

Local Safety Members 2 Percent at 50 Formula

2 percent of final compensation for each year of service for retirement at age 50, with an increased benefit rate to age 55. The maximum allowance payable is 90 percent of final compensation.

Local Safety Members 2 Percent at 55 Formula

2 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 90 percent of final compensation. Retirement may begin at age 50 with a reduced benefit rate.

Local Safety Members Half Pay at 55 Formula

This benefit is no longer available as a contract amendment. Only a small number of local agencies are still covered under this formula which guarantees one-half of final compensation at age 55 with 20 or more years of service credit. Retirement may begin at age 50 with a reduced benefit rate.

State Safety Members & Local Safety Members 2.5 Percent at 55 Formula

This benefit is no longer available as a contract amendment. It provides 2.5 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 80 percent of final compensation for State safety members and 90 percent for local safety members. Retirement may begin at age 50 with a reduced benefit rate.

CalPERS Program Data (continued)

State Patrol Members & Local Safety Members 3 Percent at 50 Formula

3 percent of final compensation for each year of service for retirement at age 50. The maximum allowance payable is 90 percent of final compensation for State patrol members and local safety members.

State Peace Officer/Firefighter Members & Local Safety Members 3 Percent at 55 Formula

3 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 90 percent for State peace officer/firefighter members and local safety members. Retirement may begin at age 50 with a reduced benefit rate.

Disability Retirement

For Most Members

A monthly allowance of 1.8 percent of final compensation for each year of service, improved under certain conditions to $33\frac{1}{3}$ percent of final compensation, applicable to members with at least five years of service credit.

By Contract Amendment Only for Local Agencies

A monthly allowance of 30 percent of final compensation, plus an additional 1 percent for each year of service over five years to a maximum of 50 percent.

For State Second Tier Members

A monthly allowance of 1.125 percent of final compensation for each year of service, improved under certain conditions to $33\frac{1}{3}$ percent of final compensation, applicable to members with at least 10 years of service credit or five years if credited as of January 1, 1985.

For Local Second Tier Members

A monthly allowance of 1.35 percent of final compensation for each year of service, improved under certain conditions to $33\frac{1}{3}$ percent of final compensation, applicable to members with at least five years of service credit.

Industrial Disability Retirement

For Most Members

A monthly allowance of 50 percent of final compensation, applicable to patrol members, State and local safety members, State peace officer/firefighter members, State industrial members, local miscellaneous members (by contract amendment only), and certain State miscellaneous members defined by law. The member must be serving in one of these categories at the time the industrial disability occurs. State members in certain bargaining units are eligible for 60 percent of final compensation if disabled for any job in State service and the injury occurred on or after January 1, 1993 and on or before December 31, 1999.

By Contract Amendment Only for Local Agencies

A monthly allowance of 75 percent of final compensation, if found totally disabled.

By Contract Amendment Only for Local Agencies

A monthly allowance of 50 percent to 90 percent of final compensation, depending on the disability rating by the Workers' Compensation Appeals Board.

Death Benefits (Before Retirement)

Basic Death Benefit — All Members Except State Employees

Eligible to retire or not — A return of member contributions plus interest (compounded annually) and an employer-paid portion equal to one month's compensation earnable for each year of current service to a maximum of six months.

Basic Death Benefit — State Employees Only

Eligible to retire or not eligible to retire with 20 years or more of State service credit — A return of member contributions plus interest (compounded annually) and a State-paid portion equal to six months' pay (50 percent of the member's earnable pay for the 12 months prior to the member's death).

CalPERS Program Data (continued)

Not eligible to retire with less than 20 years of State service credit — A return of only the member contributions plus interest (compounded annually).

Insurance Benefit — State Employees Only

Eligible to retire or not eligible to retire with 20 years or more of State service credit — \$5,000 in a lump sum.

Not eligible to retire with less than 20 years of State service credit — \$5,000 in a lump sum plus six months' pay (50 percent of annual compensation).

Alternate Death Benefit ¹ — For State Members in Bargaining Units Contracting for This Benefit, Who Are Not Eligible to Retire, With 20 Years or More of State Service Credit

A monthly allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to pre-retirement Option 2 (if the beneficiary is a spouse or registered domestic partner), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had been old enough to retire. A spouse or registered domestic partner or minor child may receive continued health and dental insurance with the Alternate Death Benefit.

Alternate Death Benefit for Firefighters — Local Agency Employers Contracting for This Benefit, With 20 Years or More of Total Service Credit

A monthly non-job-related allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to Pre-Retirement Option 2 (if the beneficiary is a spouse or registered domestic partner, even if the agency does not contract separately for the Pre-Retirement Option 2 benefit), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had either been old enough to retire (if the member died before reaching retirement age), or based on the member's actual age if the member was eligible to retire at the time of death. This benefit applies to all service credit earned by the member,

including service that may have been earned with a local agency that does not contract for the Alternate Death Benefit, as long as the member was employed at the time of death by a local agency that provides this benefit in their contract.

Pre-Retirement Option 2W Benefit — Local Agencies by Contract, Married, or Registered Domestic Partnership

A monthly allowance payable to the surviving spouse or registered domestic partner until death, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W Benefit.

Pre-Retirement Option 2W Benefit ¹ — For All State Members, Married, or Registered Domestic Partnership

A monthly allowance payable to the surviving spouse or registered domestic partner until death, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

1957 Survivor Benefit ¹ — Local Members, Married, or Registered Domestic Partnership

For all members eligible to retire who are married or in a registered domestic partnership, a monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death.

1957 Survivor Benefit ¹ — All Members, Not Married, or No Registered Domestic Partnership

For all members eligible to retire who are not married or in a registered domestic partnership, a monthly allowance payable to the unmarried surviving minor children until age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death. Once allowance stops, the total allowance paid is compared to the Basic Death Benefit amount, and any difference is paid in a lump sum to all of the member's surviving children.

Note:

¹ The surviving spouse or registered domestic partner of other than a State member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a State member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

CalPERS Program Data (continued)

1959 Survivor Benefit — State & School Members & by Contract Option, Local Agency Members Not Coordinated With Social Security

A monthly benefit paid to survivors of deceased members who died prior to retirement. This benefit is similar to the Social Security Survivor Benefit and is paid in addition to any other applicable pre-retirement death benefit, except the Special Death Benefit.

Special Death Benefit ¹ — Survivors of Patrol, State & Local Safety, State Industrial & State Peace Officer/Firefighter Members, State Miscellaneous ² & Local Miscellaneous by Contract Amendment ²

A monthly allowance equal to 50 percent of final compensation payable to the surviving spouse or registered domestic partner until death, or if no spouse, to natural or adopted unmarried children up to age 22. The monthly allowance is recalculated annually on October 1 based on the salary rates for employees who work in the position the member held at the time of death until such time as the member would have attained age 50.

Special Death Benefit ¹ — Violent Death

Provides increased benefits (up to 75 percent of final compensation) based upon the number of surviving children, if the member's death is the result of external violence or physical force.

Death Benefits (After Retirement)

Retired Death Benefit — State Members Only

A \$2,000 lump sum payable in addition to any optional settlement elected.

Retired Death Benefit — Local & School Members

A \$500, \$600, \$2,000, \$3,000, \$4,000, or \$5,000 lump sum (depending on the employer contract) payable in addition to any optional settlement elected.

Notes:

¹ The Special Death Benefit is payable if the member's death is job related.

² The survivor of a State or local miscellaneous member qualifies for the Special Death Benefit if the member was killed or fatally injured while performing their official duties.

Survivor Continuance Benefit — State Members, School Members & by Contract Option, Local Agency Members

Service not coordinated with Social Security — 50 percent of the deceased member's unmodified retirement allowance amount will continue to an eligible survivor.

Service coordinated with Social Security — 25 percent of the deceased member's unmodified retirement allowance amount will continue to an eligible survivor.

Optional Settlements

For All Members

All the disability and service retirement allowances discussed in this section are the highest (unmodified) allowances payable to a retired member. There are six optional settlements to allow a member to reduce their allowance to provide a benefit to a named beneficiary at the member's death. Under two of these options, if the beneficiary predeceases the member, the member's allowance will be increased to the higher (unmodified) amount.

Cost-Of-Living Adjustments

For All Members — Except State Second Tier

A maximum of 2 percent compounded annually (up to 5 percent maximum as a contract option for retired members of local agencies).

For State Second Tier Members Only

A fixed 3 percent compounded annually.

CalPERS Program Data (continued)

Active & Inactive Members

Employer/Category	Active	Inactive	Total
State Miscellaneous —			
First Tier	138,282	41,500	179,782
State Miscellaneous —			
Second Tier	10,833	24,106	34,939
State Industrial —			
First Tier	8,532	1,029	9,561
State Industrial —			
Second Tier	1,094	1,040	2,134
State ARP ¹	12,414	1,541	13,955
Highway Patrol	6,716	252	6,968
State Safety	19,916	3,213	23,129
Peace Officer/Firefighter	41,639	4,966	46,605
University of California ²	9	102	111
Total State Members	239,435	77,749	317,184
School — Miscellaneous	309,014	85,159	394,173
School — Safety	568	170	738
Total School Members	309,582	85,329	394,911
Public Agency —			
Miscellaneous	210,267	69,839	280,106
Public Agency — Safety	48,305	8,389	56,694
Total Public Agency Members	258,572	78,228	336,800
Total Members	807,589	241,306	1,048,895

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$7,550,688,820
Disability Retirement	469,318,366
Industrial Disability Retirement	986,653,060
PPPA Payments ³	64,455,662
Total	\$9,071,115,908
Basic Death Benefit/Group Term Life Insurance	\$35,912,639
1957 Survivor Benefit	53,953,626
1959 Survivor Benefit	29,628,567
Industrial Death Allowance	28,785,227
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	16,677,530
Total	\$164,957,589
Grand Total	\$9,236,073,497

Benefit Recipients by Employer Category ⁴

Employer	Retired Members	Survivors & Beneficiaries	Total
State Miscellaneous —			
First Tier	101,985	19,305	121,290
State Miscellaneous —			
Second Tier	2,520	404	2,924
State Industrial —			
First Tier	3,679	531	4,210
State Industrial —			
Second Tier	115	12	127
Highway Patrol	5,499	861	6,360
State Safety	21,811	2,591	24,402
Peace Officer/Firefighter	2,610	189	2,799
Total State	138,219	23,893	162,112
School — Miscellaneous	130,317	18,760	149,077
School — Safety	—	—	—
Total School	130,317	18,760	149,077
Public Agency —			
Miscellaneous	82,331	11,962	94,293
Public Agency — Safety	31,974	3,821	35,795
Total Public Agency	114,305	15,783	130,088
Grand Total	382,841	58,436	441,277

Notes:

- ¹ The Alternative Retirement Program (ARP) is a mandated savings plan for State miscellaneous and industrial employees hired after August 11, 2004, during their first two years of employment. While contributing to ARP during that period, they are also “non-contributing” CalPERS members.
- ² The number of University of California members continues to decline since new employees must join the University of California Retirement System (UCRS).
- ³ These payments were made from the Purchasing Power Protection Account, which is structured to maintain current benefit levels and to restore CalPERS allowances to 75 percent of their original purchasing power (80 percent for public agencies).
- ⁴ The actual number of benefit recipients is by the employer category from which they retired, regardless of whether they had service in other employer categories. The total includes only those recipients receiving a monthly allowance, and does not include recipients of one-time only payments.

CalPERS Program Data (continued)

Benefit Payments by Type Six-Year Review

Category	2006	2005	2004	2003	2002	2001
Service Retirement	\$7,550,688,820	\$6,837,660,779	\$6,126,399,264	\$5,517,803,137	\$5,023,585,476	\$4,527,931,149
Disability Retirement	469,318,366	452,965,751	436,760,071	414,169,213	395,028,004	367,110,934
Industrial Disability Retirement	986,653,060	918,589,118	846,201,803	788,510,695	700,349,277	620,520,770
PPPA Payments	64,455,662	65,678,127	71,005,179	78,716,677	82,516,981	122,985,198
Total	\$9,071,115,908	\$8,274,893,775	\$7,480,366,317	\$6,799,199,722	\$6,201,479,738	\$5,638,548,051
Basic Death Benefit/ Group Term Life Insurance	\$35,912,639	\$34,336,821	\$35,499,195	\$50,135,006	\$38,555,448	\$39,833,188
1957 Survivor Benefit	53,953,626	51,027,429	48,007,229	45,509,640	42,917,465	39,475,959
1959 Survivor Benefit	29,628,567	28,553,418	27,997,780	28,548,728	25,242,446	24,292,309
Industrial Death Allowance	28,785,227	27,095,550	25,302,686	24,347,863	23,117,626	20,305,890
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	16,677,530	18,211,621	21,911,810	44,172,841	99,706,393	30,493,571
Total	\$164,957,589	\$159,224,839	\$158,718,700¹	\$192,714,078	\$229,539,378	\$154,400,917
Grand Total	\$9,236,073,497	\$8,434,118,614	\$7,639,085,017	\$6,991,913,800	\$6,431,019,116	\$5,792,948,968

Note:

¹ Includes "penalty interest" of \$2,767 for pre-retirement and \$6,098 for post-retirement death payments. Penalty interest is required when CalPERS is unable to pay death benefits within 45 days of receiving all documents establishing entitlement. The penalty interest rate is paid for each day exceeding the 45-day time limit, based on the interest crediting rate or the net earnings rate (including capital gains and losses) whichever is greater.

CalPERS Program Data (continued)

Average Benefit Payments — As of June 30, 2005 Six-Year Review

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2004/05							
Average Monthly Allowance ¹	\$473	\$687	\$1,109	\$1,606	\$2,360	\$3,439	\$4,750
Average Final Compensation	\$5,534	\$3,926	\$4,017	\$4,289	\$4,837	\$5,488	\$6,132
Number of Recipients ¹	549	3,487	4,032	4,668	3,861	3,859	5,876
2003/04							
Average Monthly Allowance ¹	\$510	\$693	\$1,082	\$1,560	\$2,192	\$3,308	\$4,553
Average Final Compensation	\$5,443	\$3,835	\$3,863	\$4,171	\$4,492	\$5,254	\$5,915
Number of Recipients ¹	545	3,489	4,254	4,465	3,822	3,499	4,831
2002/03							
Average Monthly Allowance ¹	\$573	\$678	\$1,074	\$1,475	\$2,110	\$3,261	\$4,625
Average Final Compensation	\$4,996	\$3,609	\$3,752	\$3,936	\$4,350	\$5,156	\$5,888
Number of Recipients ¹	529	2,834	3,825	3,678	3,281	3,116	4,650
2001/02							
Average Monthly Allowance ¹	\$671	\$674	\$1,038	\$1,421	\$1,962	\$3,125	\$4,381
Average Final Compensation	\$4,837	\$3,543	\$3,615	\$3,878	\$4,164	\$5,015	\$5,653
Number of Recipients ¹	503	2,518	3,667	3,152	3,074	2,951	4,284
2000/01							
Average Monthly Allowance ¹	\$599	\$614	\$990	\$1,323	\$1,810	\$2,875	\$4,138
Average Final Compensation	\$4,504	\$3,289	\$3,517	\$3,604	\$3,937	\$4,750	\$5,371
Number of Recipients ¹	453	2,620	4,082	3,284	3,024	2,948	4,794
1999/00							
Average Monthly Allowance ¹	\$478	\$568	\$921	\$1,221	\$1,705	\$2,515	\$3,710
Average Final Compensation	\$4,028	\$3,227	\$3,397	\$3,480	\$3,831	\$4,460	\$5,026
Number of Recipients ¹	403	2,229	3,222	2,442	2,402	2,074	2,903

Note:

¹ These averages and totals are for retired members, beneficiaries, and community property recipients.

CalPERS Public Agency Employers

Contract Actions Summary

On June 30, 2006, 1,544 public agency contracts provided retirement, death, and survivor benefits for employees of 57 county superintendents of schools; four school district offices; 446 cities and towns; 36 counties; and 1,001 districts and other public agencies. The 57 county superintendents of schools contracts provide benefits for 1,053 school districts, bringing the total number of public agency employers to 2,597.

	Added	Merged	Terminated	Total
County Superintendents of Schools (for 1,053 school districts)	—	—	—	57
Los Angeles City Schools and Community College Districts	—	—	—	2
Los Angeles County Superintendents of Schools and San Diego County of Superintendent of Schools	—	—	—	2
Cities/Towns	—	—	—	446
Counties	—	—	—	36
Districts and Other Public Agencies	23	-1	-1	1,001
Total Public Agency Contracts	23	-1	-1	1,544

Amendments

Public agency contracts vary depending upon the member categories covered, the formula the agency elects to provide, and the optional benefit provisions selected from the group of approximately 51 benefits. These optional benefits may be provided at the time the original contract is established or they may be added later through the contract amendment process.

During the 2005-06 fiscal year, 204 benefit changes were made through 163 contract amendments. The benefit formula changes for public agencies included: 28 to provide the 2.7% at 55 formula for active miscellaneous members; 28 to provide the 2.5% at 55 formula for active miscellaneous members; five to provide 3% at 60 formula for active miscellaneous members; eight to provide 2% at 55 formula for miscellaneous members; 25 to provide 3% at 50 formula for safety members; nine to provide 3% at 55 formula for safety members; and four to provide 2% at 50 formula for safety members.

There were no new optional benefits added during the year.

Two Years of Additional Service Credit — The Golden Handshake

Contracting agencies may amend their contracts to provide additional service credit if there are impending mandatory

transfers, layoffs, or demotions. Eligible employees who retire within a 90- to 180-day window period established by the employer receive two years additional service credit. The county schools may also contract for this benefit when there is an impending curtailment of, or change in the manner of performing services, and their best interest would be served by granting the additional service credit. Once the contract is amended, the employer may establish additional window periods.

In the 2005-06 fiscal year, 10 public agencies amended their contracts to provide the two years of additional service credit and 23 additional window periods were established. The County Offices of Education established 74 additional window periods for the Golden Handshake benefit.

Popular Benefit Amendments

2.7% at 55 Miscellaneous Formula	28 amendments
2.5% at 55 Miscellaneous Formula	28 amendments
3% at 50 Safety Formula	25 amendments
One Year Final Compensation	23 amendments
Fourth Level of 1959 Survivor Benefits	15 amendments
Pre-Retirement Optional Settlement 2 Death Benefit	13 amendments
Two Years Additional Service Credit	10 amendments
3% at 55 Safety Formula	9 amendments
2% at 55 Miscellaneous Formula	8 amendments
Employee Sharing Costs of Benefits	8 amendments

CalPERS Public Agency Employers (continued)

Largest Participating Employers

Employer	Number of Employees	Employer	Number of Employees
State of California	310,672	Riverside County	20,051
Los Angeles County Schools	78,517	Santa Clara County	19,704
Los Angeles Unified School District	41,057	San Bernardino County	18,082
San Diego County Schools	25,873	Riverside County Schools	15,499
Orange County Schools	21,835	Santa Clara County Schools	13,099

Mergers

Plain View Water District merged into Byron-Bethany Irrigation District on July 1, 2004. The contract merger was effective July 20, 2005.

Terminations

Halcumb Cemetery District; effective November 9, 2005.

New Contracts

During the 2005-06 fiscal year, 23 additional agencies contracted with CalPERS for retirement, death, and survivor benefits. The new contracting agencies are:

Effective Date	Public Agency	Miscellaneous Member Formula	Safety Member Formula
7/1/05	Local Agency Formation Commission of Monterey County	2% at 55	
7/4/05	Kings County Area Public Transit Agency	2% at 55	
7/18/05	Kings County In-Home Supportive Services Public Authority	2% at 55	
7/22/05	Gold Ridge Resource Conservation District	2% at 55	
10/1/05	Diablo Water District	2.7% at 55	
10/12/05	Three Rivers Community Services District	2% at 60	
10/24/05	Peninsula Traffic Congestion Relief Alliance	3% at 60	
10/28/05	West Contra Costa Integrated Waste Management Authority	2% at 55	
10/29/05	Carmel Area Wastewater District	2% at 60	
11/1/05	Lower Lake Cemetery District	2% at 55	
12/9/05	Housing Authority of the City of San Luis Obispo	2% at 55	
1/1/06	Aromas Water District	2% at 55	
1/1/06	El Dorado County Transportation District	2% at 55	
1/1/06	Greenfield Fire Protection District		3% at 55
2/1/06	Grant Joint Union High School District		3% at 50
2/1/06	Marin Community College District		2% at 50
2/25/06	Paradise Recreation and Park District	2% at 55	
3/1/06	Lake Oroville Area Public Utility District	2.7% at 55	
3/16/06	Cordova Recreation & Park District	2% at 55	
4/1/06	Cabrillo College Foundation	2% at 55	
5/1/06	Santiago County Water District	2% at 55	
6/1/06	Arcade Creek Recreation & Park District	2% at 55	
6/26/06	Southern Sonoma County Resource Conservation District	2% at 55	

CalPERS Public Agency Employers (continued)

Reciprocal Systems

Reciprocity is a valuable addition to the CalPERS benefit package. Its purpose is to encourage career public service, by allowing members to move between employers under different public retirement systems without losing their retirement and related benefits. The following retirement systems have reciprocity with CalPERS.

Counties Under the County Employees'

Retirement Law of 1937

Alameda	Sacramento
Contra Costa	San Bernardino
Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Mendocino	Stanislaus
Merced	Tulare
Orange	Ventura

The University of California Retirement Plan (UCRP)

Reciprocal Public Retirement Systems

California Administrative Services Authority
Concord, City of
Contra Costa Water District
Costa Mesa, City of (safety only)
East Bay Municipal Utility District
East Bay Regional Park District (safety only)
Fresno Employees Retirement System
Long Beach Schools Business Management Authority
Los Angeles, City of
Los Angeles County Metropolitan Transportation Authority (Non-Contract Employees' Retirement Income Plan)
Oakland, City of (non-safety only)
Pasadena, City of (fire and police only)
Sacramento, City of
San Clemente, City of (non-safety only)
San Diego, City of
San Francisco, City & County of
San Jose, City of
San Luis Obispo, County of

Systems with Limited Reciprocity

Judges' Retirement System
Judges' Retirement System II
Legislators' Retirement System
California State Teachers' Retirement System

Participating Public Agencies by Type

Total number of CalPERS members for each agency follows its name.

County Superintendents of Schools

Alameda - 11,239	Orange - 22,395
Alpin - 35	Placer - 3,051
Amador - 215	Plumas - 309
Butte - 2,589	Riverside - 16,414
Calaveras - 502	Sacramento - 12,087
Colusa - 249	San Benito - 567
Contra Costa - 7,351	San Bernardino - 19,122
Del Norte - 198	San Diego - 27,015
El Dorado - 1,730	San Joaquin - 6,069
Fresno - 9,290	San Luis Obispo - 2,346
Glenn - 395	San Mateo - 4,605
Humboldt - 1,529	Santa Barbara - 3,747
Imperial - 2,138	Santa Clara - 13,603
Inyo - 279	Santa Cruz - 2,391
Kern - 9,551	Shasta - 1,888
Kings - 1,408	Sierra - 44
Lake - 715	Siskiyou - 721
Lassen - 374	Solano - 2,963
Los Angeles - 79,718	Sonoma - 3,856
Madera - 1,299	Stanislaus - 5,698
Marin - 1,905	Sutter - 783
Mariposa - 183	Tehama - 795
Mendocino - 1,470	Trinity - 263
Merced - 3,237	Tulare - 5,271
Modoc - 200	Tuolumne - 442
Mono - 170	Ventura - 6,311
Monterey - 4,265	Yolo - 1,545
Napa - 1,390	Yuba - 972
Nevada - 685	Total - 57

School District Offices

Los Angeles Unified School District - 42,371
Los Angeles Community College District - 2,759
Los Angeles County Office of Education - 3,383
San Diego County Office of Education - 1,110

Total - 4

CalPERS Public Agency Employers (continued)

Counties

Alpine - 111	Kings - 1,663	Placer - 3,223	Siskiyou - 930
Amador - 621	Lake - 1,303	Plumas - 662	Solano - 3,535
Butte - 2,681	Lassen - 655	Riverside - 21,617	Sutter - 1,275
Calaveras - 634	Madera - 1,816	San Benito - 606	Tehama - 1,146
Colusa - 389	Mariposa - 481	San Francisco City & County ¹ - 1,345	Trinity - 595
Del Norte - 694	Modoc - 563	Santa Clara - 20,283	Tuolumne - 1,576
El Dorado - 2,536	Mono - 398	Santa Cruz - 3,310	Yolo - 2,274
Glenn - 668	Monterey - 6,176	Shasta - 2,250	Yuba - 1,281
Humboldt - 2,379	Napa - 1,688	Sierra - 146	
Inyo - 565	Nevada - 1,283		Total - 36

Cities & Towns

Adelanto - 167	Bishop - 35	Colma - 66	El Segundo - 418
Agoura Hills - 44	Blue Lake - 13	Colton - 487	Elk Grove - 210
Alameda - 814	Blythe - 134	Colusa - 50	Emeryville - 66
Albany - 112	Bradbury - 2	Commerce - 176	Encinitas - 294
Alhambra - 671	Brawley - 180	Compton - 643	Escalon - 53
Aliso Viejo - 14	Brea - 489	Concord - 686	Escondido - 1,147
Alturas - 30	Brentwood - 355	Corcoran - 99	Etna - 6
American Canyon - 93	Brisbane - 129	Corning - 59	Eureka - 320
Anaheim - 3,137	Buellton - 26	Corona - 1,027	Exeter - 46
Anderson - 69	Buena Park - 410	Coronado - 365	Fairfax - 59
Angels - 60	Burbank - 1,633	Corte Madera - 89	Fairfield - 728
Antioch - 483	Burlingame - 298	Costa Mesa - 937	Farmersville - 37
Apple Valley - 138	Calabasas - 137	Cotati - 70	Fillmore - 52
Arcadia - 459	Calexico - 279	Covina - 288	Firebaugh - 58
Arcata - 138	California City - 103	Crescent City - 93	Folsom - 664
Arroyo Grande - 119	Calimesa - 21	Cudahy - 26	Fontana - 748
Artesia - 52	Calipatria - 25	Culver City - 891	Fort Bragg - 84
Arvin - 57	Calistoga - 69	Cupertino - 188	Fortuna - 89
Atascadero - 194	Camarillo - 169	Cypress - 232	Fountain Valley - 295
Atherton - 78	Campbell - 207	Daly City - 815	Fowler - 35
Atwater - 152	Canyon Lake - 7	Dana Point - 75	Fremont - 1,147
Auburn - 123	Capitola - 108	Davis - 607	Fullerton - 774
Avalon - 77	Carlsbad - 783	Del Mar - 78	Galt - 225
Avenal - 43	Carmel-By-The-Sea - 114	Del Rey Oaks - 13	Garden Grove - 827
Azusa - 404	Carpinteria - 51	Delano - 43	Gardena - 507
Bakersfield - 1,626	Carson - 575	Desert Hot Springs - 134	Gilroy - 315
Baldwin Park - 705	Cathedral City - 260	Diamond Bar - 70	Glendale - 2,558
Banning - 228	Cerritos - 592	Dinuba - 236	Glendora - 273
Barstow - 175	Chico - 461	Dixon - 146	Goleta - 44
Beaumont - 128	Chino - 576	Dos Palos - 33	Gonzales - 52
Bell - 240	Chowchilla - 91	Downey - 591	Grand Terrace - 80
Bell Gardens - 194	Chula Vista - 1,555	Duarte - 71	Grass Valley - 142
Bellflower - 136	Citrus Heights - 164	Dublin - 109	Greenfield - 64
Belmont - 183	Claremont - 292	Dunsmuir - 14	Gridley - 63
Belvedere - 31	Clayton - 36	East Palo Alto - 106	Grover Beach - 102
Benicia - 301	Clearlake - 69	El Cajon - 724	Guadalupe - 55
Berkeley - 1,960	Cloverdale - 68	El Centro - 331	Gustine - 28
Beverly Hills - 1,102	Clovis - 896	El Cerrito - 222	Half Moon Bay - 75
Biggs - 13	Coachella City - 86	El Monte - 516	Hanford - 296

Note:

¹ This agency has both City and County employees and is listed in both areas; however, it is included only in the "total" count of the Cities category.

CalPERS Public Agency Employers (continued)

Cities & Towns

Hawaiian Gardens - 105	Livingston - 101	Oakdale - 114	Ripon - 26
Hawthorne - 523	Lodi - 587	Oakland - 5,131	Riverbank - 76
Hayward - 1,057	Loma Linda - 113	Oakley - 26	Riverside - 2,568
Healdsburg - 160	Lomita - 62	Oceanside - 1,252	Rocklin - 437
Hemet - 451	Lompoc - 471	Ojai - 47	Rohnert Park - 262
Hercules - 200	Long Beach - 6,312	Ontario - 1,193	Rolling Hills - 5
Hermosa Beach - 205	Loomis - 15	Orange - 817	Rolling Hills Estates - 40
Hesperia - 141	Los Alamitos - 77	Orange Cove - 21	Rosemead - 77
Hidden Hills - 5	Los Altos - 177	Orland - 39	Roseville - 1,441
Highland - 41	Los Altos Hills - 25	Oroville - 143	Ross - 25
Hillsborough - 131	Los Banos - 186	Oxnard - 2,753	Sacramento - 5,787
Hollister - 174	Los Gatos - 235	Pacific Grove - 151	Salinas - 554
Hughson - 47	Loyalton - 4	Pacifica - 288	San Anselmo - 99
Huntington Beach - 1,239	Lynwood - 316	Palm Desert - 202	San Bernardino - 1,795
Huntington Park - 224	Madera - 386	Palm Springs - 606	San Bruno - 310
Imperial - 55	Malibu - 85	Palmdale - 468	San Buenaventura - 859
Imperial Beach - 109	Mammoth Lakes - 144	Palo Alto - 1,339	San Carlos - 194
Indian Wells - 50	Manhattan Beach - 347	Palos Verdes Estates - 95	San Clemente - 51
Indio - 301	Manteca - 435	Paradise - 120	San Dimas - 98
Industry - 35	Marina - 121	Paramount - 140	San Fernando - 157
Inglewood - 1,059	Martinez - 53	Parlier - 47	San Francisco - 1,345
Ione - 20	Marysville - 93	Pasadena - 2,350	San Gabriel - 209
Irvine - 890	Maywood - 111	Paso Robles - 215	San Jacinto - 79
Irwindale - 96	Menlo Park - 359	Patterson - 100	San Joaquin - 22
Jackson - 41	Merced - 576	Perris - 102	San Jose - 13
Kerman - 62	Mill Valley - 222	Petaluma - 470	San Leandro - 521
King City - 53	Millbrae - 199	Pico Rivera - 180	San Luis Obispo - 502
Kingsburg - 86	Milpitas - 570	Piedmont - 132	San Marcos - 260
La Canada Flintridge - 40	Mission Viejo - 181	Pinole - 165	San Marino - 172
La Habra - 547	Modesto - 1,411	Pismo Beach - 131	San Mateo - 725
La Habra Heights - 26	Monrovia - 343	Pittsburg - 319	San Pablo - 172
La Mesa - 313	Montague - 6	Placencia - 166	San Ramon - 268
La Mirada - 126	Montclair - 305	Placerville - 123	Sand City - 32
La Palma - 102	Monte Sereno - 9	Pleasant Hill - 178	Sanger - 162
La Puente - 55	Montebello - 693	Pleasanton - 625	Santa Ana - 1,944
La Quinta - 112	Monterey - 617	Pomona - 875	Santa Barbara - 1,559
La Verne - 216	Monterey Park - 487	Port Hueneme - 174	Santa Clara - 1,110
Laguna Beach - 299	Moorpark - 83	Porterville - 343	Santa Clarita - 597
Laguna Hills - 56	Moraga - 43	Portola - 19	Santa Cruz - 1,018
Laguna Niguel - 116	Moreno Valley - 606	Portola Valley - 15	Santa Fe Springs - 256
Laguna Woods - 10	Morgan Hill - 252	Poway - 337	Santa Maria - 645
Lake Elsinore - 94	Morro Bay - 138	Rancho Cordova - 42	Santa Monica - 2,602
Lake Forest - 77	Mountain View - 818	Rancho Cucamonga - 539	Santa Paula - 175
Lakeport - 55	Mt. Shasta - 46	Rancho Mirage - 104	Santa Rosa - 1,464
Lakewood - 346	Murrieta - 282	Rancho Palos Verdes - 146	Santee - 184
Lancaster - 600	Napa - 472	Red Bluff - 131	Saratoga - 94
Larkspur - 73	National City - 408	Redding - 928	Sausalito - 156
Lathrop - 115	Needles - 182	Redlands - 608	Scotts Valley - 103
Lawndale - 106	Nevada City - 31	Redondo Beach - 674	Seal Beach - 114
Lemon Grove - 93	Newark - 309	Redwood City - 834	Seaside - 220
Lemoore - 148	Newman - 51	Reedley - 145	Sebastopol - 52
Lincoln - 218	Newport Beach - 1,069	Rialto - 462	Selma - 183
Lindsay - 112	Norco - 157	Richmond - 937	Shafter - 144
Live Oak - 25	Norwalk - 326	Ridgecrest - 154	Shasta Lake - 57
Livermore - 642	Novato - 294	Rio Vista - 68	Sierra Madre - 92

CalPERS Public Agency Employers (continued)

Cities & Towns

Signal Hill - 172	Sutter Creek - 17	Vacaville - 628	Westmorland - 6
Simi Valley - 766	Taft - 170	Vallejo - 634	Whittier - 501
Solana Beach - 90	Tehachapi - 51	Vernon - 439	Williams - 27
Soledad - 69	Temecula - 253	Victorville - 623	Willits - 61
Solvang - 45	Temple City - 58	Villa Park - 6	Willows - 44
Sonoma - 101	Thousand Oaks - 517	Visalia - 652	Windsor - 128
Sonora - 61	Tiburon - 52	Vista - 457	Winters - 34
South El Monte - 91	Torrance - 1,721	Walnut - 78	Woodlake - 55
South Gate - 560	Tracy - 558	Walnut Creek - 626	Woodland - 418
South Lake Tahoe - 262	Truckee - 150	Wasco - 77	Woodside - 30
South Pasadena - 219	Tulare - 451	Waterford - 21	Yorba Linda - 149
South San Francisco - 560	Tulelake - 20	Watsonville - 461	Yountville - 34
St. Helena - 94	Turlock - 480	Weed - 45	Yreka - 76
Stanton - 79	Tustin - 402	West Covina - 495	Yuba City - 365
Stockton - 2,224	Twentynine Palms - 55	West Hollywood - 292	Yucaipa - 83
Suisun City - 135	Ukiah - 225	West Sacramento - 450	Yucca Valley - 86
Sunnyvale - 1,267	Union City - 393	Westlake Village - 20	Total - 446
Susanville - 83	Upland - 396	Westminster - 359	

Districts & Other Public Agencies

Academic Senate for California Community Colleges - 13	Arbuckle-College City Fire Protection District - 4
Access Services Incorporated - 112	Arcade Creek Recreation and Park District - 0
Agoura Hills and Calabasas Community Center - 13	Arcata Fire Protection District - 9
Alameda Alliance for Health - 228	Area 12 Agency on Aging - 34
Alameda Corridor Transportation Authority - 23	Armona Community Services District - 4
Alameda County Congestion Management Agency - 19	Aromas Water District - 6
Alameda County Fire Department - 263	Arrowbear Park County Water District - 6
Alameda County Law Library - 16	Arroyo Grande District Cemetery - 5
Alameda County Mosquito Abatement District - 14	Associated Students California State University, San Bernardino - 2
Alameda County Schools Insurance Group - 11	Association of Bay Area Governments - 137
Alameda County Transportation Improvement Authority - 11	Association of California Water Agencies - 73
Alameda County Waste Management Authority - 40	Association of California Water Agencies - Joint Powers Insurance Authority - 48
Alameda County Water District - 250	Association of Monterey Bay Area Governments - 20
Albany Municipal Services Joint Powers Authority - 23	Atascadero Cemetery District - 4
Alhambra Redevelopment Agency - 11	Auburn Area Recreation and Park District - 89
Aliso Water Management Agency - 0	Auburn Public Cemetery District - 10
Alliance of Schools for Cooperative Insurance Programs - 15	Avila Beach Community Services District - 1
Alpine Fire Protection District - 21	Aztec Shops, Ltd., San Diego University - 106
Alta California Regional Center, Inc. - 378	BETA Healthcare Group Risk Management Authority - 57
Alta Irrigation District - 37	Baldwin Park Unified School District - 795
Altadena Library District - 22	Baldy Mesa Water District - 25
Amador County Transportation Commission - 2	Bard Water District - 17
Amador Rapid Transit District - 36	Bardsdale Cemetery District - 3
Amador Water Agency - 72	Barstow Cemetery District - 5
American Canyon Fire District - 18	Bay Area Air Quality Management District - 414
American River Flood Control District - 8	Bay Area Library and Information System - 5
Anderson Cemetery District - 1	Bay Area Water Supply and Conservation Agency - 7
Anderson Fire Protection District - 8	Beach Cities Health District - 132
Angiola Water District - 5	Bear Mountain Recreation and Park District - 9
Antelope Valley Mosquito and Vector Control District - 5	Bear Valley Community Services District - 46
Antelope Valley Schools Transportation Agency - 281	Beaumont District Library - 8
Antelope Valley Transit Authority - 21	Beaumont-Cherry Valley Recreation and Park District - 16
Apple Valley Fire Protection District - 70	Beaumont-Cherry Valley Water District - 30
Aptos/La Selva Fire Protection Agency - 44	

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Bella Vista Water District - 29
Belvedere-Tiburon Library Agency - 18
Ben Lomond Fire Protection District - 1
Benicia City Housing Authority - 18
Bennett Valley Fire Protection District - 9
Big Bear Area Regional Wastewater Agency - 21
Big Bear City Airport District - 7
Big Bear City Community Services District - 82
Big Bear Municipal Water District - 13
Bighorn-Desert View Water Agency - 15
Black Gold Cooperative Library System - 19
Blanchard/Santa Paula Public Library District - 11
Bodega Bay Fire Protection District - 21
Bolin Community Public Utility District - 6
Bolin Fire Protection District - 2
Bonita-Sunnyside Fire Protection District - 17
Boron Community Services District - 4
Borrego Springs Fire Protection District - 24
Borrego Water District - 15
Branciforte Fire Protection District - 3
Brannan-Andrus Levee Maintenance District - 1
Broadmoor Police Protection District - 17
Brooktrails Township Community Services District - 13
Browns Valley Irrigation District - 12
Buena Park Library District - 27
Burney Basin Mosquito Abatement District - 1
Burney Fire District - 7
Burney Water District - 8
Butte County Air Quality Management District - 12
Butte County Association of Governments - 9
Butte County In-Home Supportive Services Public Authority - 3
Butte County Mosquito and Vector Control District - 19
Butte Schools Self-Funded Programs - 2
Butte-Glenn Community College District - 436
Byron-Bethany Irrigation District - 12
Cabrillo College Foundation - 5
Cachuma Operation and Maintenance Board - 19
Cal Poly Corporation - 428
Cal Poly Pomona Foundation, Inc. - 404
Calaveras County Water District - 84
Calaveras Public Utility District - 9
California Association for Park and Recreation Insurance - 3
California Authority of Racing Fairs - 24
California Bear Credit Union - 100
California Fair Services Authority - 57
California Fairs Financing Authority - 46
California Firefighter's Joint Apprenticeship Committee - 36
California Interscholastic Federation, Central Coast Section - 4
California Interscholastic Federation, Central Section - 3
California Interscholastic Federation, North Coast Section - 10
California Interscholastic Federation, Northern Section - 2
California Interscholastic Federation, Sac-Joaquin Section - 5
California Interscholastic Federation, San Diego Section - 3
California Interscholastic Federation, Southern Section - 16
California Interscholastic Federation, State Office - 14
California Joint Powers Insurance Authority - 25
California Joint Powers Risk Management Authority - 6
California Maritime Academy Foundation, Inc. - 2
California Municipal Utilities Association - 4
California Pines Community Services District - 9
California Redevelopment Association - 14
California School Boards Association - 166
California Special Districts Association - 17
California State and Federal Employees No. 20 Credit Union - 18
California State University, Bakersfield Foundation - 79
California State University, Stanislaus Auxiliary and Business Services - 81
California State University Foundation - 21
California State University, Fresno Association, Inc. - 204
California State University, Fresno Athletic Corporation - 137
California State University, Sacramento Foundation - 0
Callayomi County Water District - 3
Calleguas Municipal Water District - 72
Camarillo Health Care District - 65
Cambria Cemetery District - 1
Cambria Community Healthcare District - 9
Cambria Community Services District - 43
Cameron Park Community Services District - 14
Camrosa Water District - 24
Capitol Area Development Authority - 57
Carmel Area Wastewater District - 23
Carmel Highlands Fire Protection District of Monterey County - 1
Carmel Valley Fire Protection District - 14
Carmichael Water District - 30
Carpinteria Sanitary District - 17
Carpinteria Valley Water District - 22
Casitas Municipal Water District - 56
Castaic Lake Water Agency - 110
Castro Valley Sanitary District - 16
Castroville Water District - 7
Cawelo Water District - 18
Cayucos Sanitary District - 9
Cayucos-Morro Bay Cemetery District - 4
Centerville Community Services District - 4
Central Basin Municipal Water District - 75
Central Calaveras Fire and Rescue Protection District - 5
Central Coast Computing Authority - 10
Central Coast Water Authority - 40
Central Contra Costa Transit Authority - 393
Central Fire Protection District of Santa Cruz County - 72
Central Marin Sanitation Agency - 40
Central Sierra Child Support Agency - 35
Central Sierra Planning Council - 5
Central Valley Regional Center, Inc. - 393
Central Water District - 4
Chester Fire Protection District - 8
Chester Public Utility District - 5
Chico Area Recreation and Park District - 69
Chino Basin Watermaster - 13
Chino Valley Independent Fire District - 131
Citrus Heights Water District - 28

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Clear Creek Community Services District - 10	Cutler Public Utility District - 4
Clearlake Oaks County Water District - 20	Cutler-Orosi Joint Powers Wastewater Authority - 4
Clearlake Oaks Fire Protection District - 5	Cuyama Valley Recreation District - 1
Cloverdale Citrus Fair - 5	Dairy Council of California - 111
Cloverdale Fire Protection District - 6	Daly City Redevelopment Agency - 0
Clovis Cemetery District - 16	Deer Springs Fire Protection District - 0
Coachella Valley Association of Governments - 25	Del Norte County Library District - 5
Coachella Valley Mosquito Abatement District - 67	Del Paso Manor Water District - 0
Coachella Valley Public Cemetery District - 6	Del Puerto Water District - 4
Coachella Valley Water District - 580	Del Rey Community Services District - 4
Coalinga-Huron Cemetery District - 2	Delano Mosquito Abatement District - 7
Coalinga-Huron Mosquito Abatement District - 0	Delta Diablo Sanitation District - 66
Coalinga-Huron Recreation and Park District - 23	Delta Vector Control District - 19
Coalinga/Huron Unified School District Library District - 7	Denair Community Services District - 6
Coast Life Support District - 8	Desert Water Agency - 90
Coastal Developmental Services Foundation, DBA Westside Regional Center - 258	Diablo Water District - 14
Coastal Municipal Water District - 0	Diamond Springs/El Dorado Fire Protection District - 24
Coastside County Water District - 24	Dixon Unified School District Library District - 15
Colfax Cemetery District - 2	Donald P. and Katherine B. Loker University Student Union, Inc. - 10
College Town - 0	Dougherty Regional Fire Authority - 7
College of the Canyons Foundation - 5	Downey Cemetery District - 0
Colusa County One-Stop Partnership - 22	Dublin San Ramon Services District - 126
Colusa Mosquito Abatement District - 5	East Bay Dischargers Authority - 3
Community College League of California - 23	East Bay Regional Park District - 543
Community Development Commission of Los Angeles County - 1,170	East Contra Costa Irrigation District - 21
Community Development Commission of Mendocino County - 37	East County Fire Protection District - 46
Community Development Commission of the City of National City - 53	East Kern Airport District - 32
Compton Creek Mosquito Abatement District - 1	East Orange County Water District - 10
Compton Unified School District - 1,857	East Palo Alto Sanitary District - 11
Conejo Recreation and Park District - 248	East Quincy Services District - 6
Consolidated Area Housing, Sutter County - 46	East San Gabriel Valley Human Services Consortium - 94
Consolidated Mosquito Abatement District - 24	East Valley Resource Conservation District - 13
Contra Costa Community College District - 866	East Valley Water District - 78
Contra Costa County Law Library - 4	Eastern Municipal Water District - 682
Contra Costa County Schools Insurance Group - 67	Ebbetts Pass Fire Protection District - 29
Contra Costa Transportation Authority - 20	El Dorado County Fire Protection District - 82
Cooperative Organization for the Development of Employee Selection Procedures - 11	El Dorado County Transit Authority - 93
Cooperative Personnel Services - 455	El Dorado County Transportation Commission - 5
Copperopolis Fire Protection District - 6	El Dorado Hills Community Services District - 53
Cordelia Fire Protection District of Solano County - 8	El Dorado Hills County Water District - 54
Cordova Recreation and Park District - 32	El Dorado Irrigation District - 347
Corning Water District - 4	Elk Grove Community Services District - 517
Costa Mesa Sanitary District - 7	Elsinore Valley Municipal Water District - 187
Cottonwood Fire Protection District - 2	Encina Wastewater Authority - 87
Cottonwood Water District - 3	Esparto Community Services District - 8
Crescent City Harbor District - 15	Esparto Fire Protection District - 2
Crescenta Valley Water District - 35	Esteros Municipal Improvement District - 287
Crestline Lake Arrowhead Water Agency - 11	Exeter District Ambulance - 14
Crockett-Valona Sanitary District - 1	Fair Oaks Recreation & Park District - 51
CSAC Excess Insurance Authority - 47	Fair Oaks Water District - 56
Cucamonga Valley Water District - 137	Fairfield-Suisun Sewer District - 27
	Fall River Mills Community Services District - 4
	Fallbrook Public Utility District - 81
	Far Northern Regional Center - 193
	Feather River Air Quality Management District - 12

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Feather River Recreation and Park District - 31	Happy Valley Fire District - 3
Feather Water District - 5	Hayward Area Recreation and Park District - 169
Felton Fire Protection District - 2	Hayward California State University, Auxiliary Foundation, Inc. - 194
Fern Valley Water District - 5	Heartland Communications Facility Authority - 40
Florin County Water District - 11	Heber Public Utility District - 11
Florin Resource Conservation District/Elk Grove Water Works - 21	Helix Water District - 181
Fontana Unified School District - 1,476	Henry Miller Reclamation District No. 2131 - 46
Foothill Municipal Water District - 9	Herald Fire Protection District - 1
Foresthill Public Utility District - 8	Heritage Ranch Community Services District - 14
Forestville County Water District - 2	Hesperia County Water District - 62
Forestville Fire Protection District - 7	Hesperia Fire Protection District - 51
Fort Bragg Fire Protection Authority - 4	Hi-Desert Water District - 52
Fort Ord Reuse Authority - 17	Hidden Valley Lake Community Services District - 19
Foundation for California Community Colleges - 101	Higgins Area Fire Protection District - 21
Fresno City Housing Authority - 176	Hilton Creek Community Services District - 2
Fresno County Housing Authority - 164	Hopland Public Utility District - 2
Fresno County Law Library - 5	Housing Authority of the City of Calexico - 30
Fresno Westside Mosquito Abatement District - 7	Housing Authority of the City of Eureka - 25
Fruitridge Fire Protection District - 0	Housing Authority of the City of Livermore - 18
Fullerton California State University, Associated Students - 71	Housing Authority of the City of Los Angeles - 1,406
Fulton-El Camino Recreation and Parks District - 19	Housing Authority of the City of Madera - 62
Galt Fire Protection District - 38	Housing Authority of the City of San Buenaventura - 43
Garden Valley Fire Protection District - 8	Housing Authority of the City of San Luis Obispo - 42
Georgetown Divide Public Utility District - 20	Housing Authority of the City of South San Francisco - 4
Georgetown Fire Protection District - 17	Housing Authority of the County of Butte - 44
Gilsizer County Drainage District - 5	Housing Authority of the County of Santa Cruz - 87
Glen Ellen Fire Protection District - 5	Hub Cities Consortium - 56
Glendale College, Associated Students of - 20	Human Rights/Fair Housing Commission of the City and County of Sacramento - 33
Glendale Community College District - 412	Humboldt Bay Harbor Recreation and Conservation District - 17
Glenn County Mosquito and Vector Control District - 0	Humboldt Bay Municipal Water District - 26
Gold Ridge Fire Protection District - 3	Humboldt Community Services District - 25
Gold Ridge Resource Conservation District - 3	Humboldt County Association of Governments - 3
Golden Gate Bridge Highway and Transportation District - 608	Humboldt No. 1 Fire Protection District of Humboldt County - 21
Golden Sierra Job Training Agency - 35	Humboldt State College University Center - 78
Goleta Sanitary District - 49	Humboldt Transit Authority - 59
Goleta Water District - 69	Humboldt Waste Management Authority - 29
Goleta West Sanitary District - 9	Idyllwild Fire Protection District - 7
Grant Elementary School District - 48	Independent Cities Association, Inc. - 0
Great Basin Unified Air Pollution Control District - 32	Indian Wells Valley Water District - 39
Greater Anaheim Special Education Local Plan Area - 64	Inland Counties Regional Center, Inc. - 687
Greater Los Angeles County Vector Control District - 56	Inland Empire Health Plan - 524
Greater Vallejo Recreation District - 40	Inland Empire Utilities Agency - 309
Green Valley County Water District - 2	Inland Empire West Resource Conservation District - 4
Greenfield Fire Protection District - 4	Intelcom Intelligent Telecommunications - 54
Gridley Biggs Cemetery District - 6	Intergovernmental Training and Development Center - 7
Grossmont Healthcare District - 7	Inverness Public Utility District - 4
Grossmont Schools Federal Credit Union - 27	Ironhouse Sanitary District - 31
Grossmont-Cuyamaca Community College District - 615	Irvine Child Care Project - 0
Groveland Community Services District - 42	Irvine Ranch Water District - 374
Gualala Community Services District - 4	Isla Vista Recreation and Park District - 11
Hacienda La Puente Unified School District - 1,387	Jamestown Sanitary District - 4
Half Moon Bay Fire Protection District - 49	Janesville Fire Protection District - 2
Hamilton Branch Fire Protection District - 2	June Lake Public Utility District - 10
Happy Camp Sanitary District - 2	Jurupa Area Recreation and Park District - 13
Happy Homestead Cemetery District - 2	

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Jurupa Community Services District - 96	Long Beach State University, Associated Students - 77
Kaweah Delta Water Conservation District - 25	Long Beach State University, Forty-Niner Shops, Inc. - 78
Kelseyville Fire Protection District - 12	Los Alamos Community Services District - 7
Kensington Community Services District - 12	Los Angeles City Community Redevelopment Agency - 263
Kentfield Fire Protection District - 15	Los Angeles County Area 'E' Civil Defense and Disaster Board - 1
Kenwood Fire Protection District - 2	Los Angeles County Housing Authority - 0
Kern County Public Cemetery District No. 1 - 8	Los Angeles County Law Library - 47
Kern County Council of Governments - 20	Los Angeles County Sanitation District No. 2 - 2,150
Kern County Housing Authority - 137	Los Angeles County West Vector Control District - 47
Kern County Law Library - 4	Los Angeles Memorial Coliseum Commission - 41
Kern County Local Agency Formation Commission - 1	Los Angeles Regionalized Insurance Services Authority - 0
Kern Health Systems - 215	Los Angeles to Pasadena Metro Blue Line Construction Authority - 18
Kern River Valley Cemetery District - 3	Los Gatos-Saratoga Department of Community Education and Recreation - 46
Kettleman City Community Services District - 4	Los Osos Community Services District - 32
Kings County Area Public Transit Agency - 14	Lower Lake Cemetery District - 3
Kings County In-Home Supportive Services Public Authority - 3	Lower Lake County Waterworks District No. 1 - 5
Kings Mosquito Abatement District - 12	Lower Lake Fire Protection District - 2
Kings Waste and Recycling Authority - 91	Lower Tule River Irrigation District - 32
Kinneloa Irrigation District - 3	Lucerne Recreation and Park District - 6
Kirkwood Meadows Public Utilities District - 13	Madera Cemetery District - 19
Konocti County Water District - 9	Madera County Economic Development Commission - 1
La Branza Water District - 0	Madera County Mosquito and Vector Control District - 10
La Habra Heights County Water District - 12	Main San Gabriel Basin Watermaster - 11
La Puente Valley County Water District - 16	Majestic Pines Community Services District - 3
Laguna Beach County Water District - 48	Mammoth Lakes Fire District - 9
Lake Arrowhead Community Services District - 57	Management of Emeryville Services Authority - 140
Lake County Vector Control District - 7	March Joint Powers Authority - 17
Lake Don Pedro Community Services District - 8	Marin Children and Families Commission - 9
Lake Hemet Municipal Water District - 65	Marin Community College District - 241
Lake Oroville Area Public Utility District - 9	Marin County Housing Authority - 105
Lake Shastina Community Services District - 17	Marin County Sanitary District No. 1 - 24
Lake Valley Fire Protection District - 28	Marin Healthcare District - 1
Lakeport County Fire Protection District - 14	Marin Municipal Water District - 310
Lakeshore Fire Protection District - 29	Marina Coast Water District - 39
Lakeside Fire Protection District - 79	Marinwood Community Services District - 25
Lakeside Water District - 13	Mariposa Public Utility District - 5
Lamont Public Utility District - 2	Maxwell Public Utility District - 4
Las Gallinas Valley Sanitary District of Marin County - 17	McCloud Community Services District - 12
Las Virgenes Municipal Water District - 155	McFarland Recreation and Park District - 7
Lassen County Waterworks District No. 1 - 1	McKinleyville Community Services District - 31
League of California Cities - 119	Meeks Bay Fire Protection District - 6
Leucadia Wastewater District - 27	Meiners Oaks County Water District - 5
Levee District No. 1 of Sutter County - 2	Mendocino City Community Services District - 4
Linda County Water District - 11	Mendocino Transit Authority - 67
Linda Fire Protection District - 8	Menlo Park Fire Protection District - 99
Linden-Peters Rural County Fire Protection District - 10	Merced County Housing Authority - 84
Lindsay Strathmore Public Cemetery District - 4	Merced County Mosquito Abatement District - 14
Little Lake Fire Protection District - 4	Merced Irrigation District - 217
Littlerock Creek Irrigation District - 6	Merritt College Associated Students, Inc. - 0
Live Oak Cemetery District - 3	Mesa Consolidated Water District - 78
Livermore/Amador Valley Transit Authority - 13	Metropolitan Cooperative Library System - 24
Local Agency Formation Commission of Monterey County - 3	Metropolitan Transportation Commission - 188
Local Government Services Authority, a Joint Powers Authority - 25	Metropolitan Water District of Southern California - 2,183
Lompico County Water District - 2	Mid-City Development Corporation - 1
Long Beach City College, Associated Student Body Enterprises - 30	

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Mid-Peninsula Water District - 25	North Coast Railroad Authority - 2
Mid-Placer Public Schools Transportation Agency - 111	North Coast Unified Air Quality Management District - 16
Midpeninsula Regional Open Space District - 118	North County Fire Protection District of Monterey County - 31
Midway City Sanitary District - 35	North County Fire Protection District of San Diego County - 93
Millview County Water District - 6	North County Transit District - 761
Minter Field Airport District - 11	North Kern Cemetery District - 6
Mission Springs Water District - 66	North Kern Water Storage District - 27
Mojave Water Agency - 44	North Kern-South Tulare Hospital District - 188
Mokelumne Rural Fire District - 9	North Los Angeles County Regional Center, Inc. - 494
Monte Vista County Water District - 46	North Marin Water District - 72
Montecito Fire Protection District - 50	North of the River Municipal Water District - 9
Montecito Sanitary District of Santa Barbara County - 18	North State Cooperative Library System - 9
Montecito Water District - 31	North Tahoe Fire Protection District - 54
Monterey Bay Unified Air Pollution Control District - 44	Northern California Power Agency - 169
Monterey County Water Resources Agency - 70	Northern California Special Districts Insurance Authority - 2
Monterey Peninsula Airport District - 60	Northern Sierra Air Quality Management District - 9
Monterey Peninsula Regional Park District - 10	Northstar Community Services District - 41
Monterey Peninsula Water Management District - 36	Northwest Mosquito and Vector Control District - 23
Monterey Regional Waste Management District - 169	Novato Sanitary District - 34
Monterey Regional Water Pollution Control Agency - 94	Oakdale Irrigation District - 80
Monterey-Salinas Transit - 351	Oakdale Rural Fire Protection District - 20
Montezuma Fire Protection District - 7	Oakland City Housing Authority - 394
Morongo Basin Transit Authority - 53	Oakland Unified School District - 2,785
Mother Lode Job Training Agency - 33	Oceano Community Services District - 14
Moulton-Niguel Water District - 126	Ojai Valley Sanitary District - 24
Mountain-Valley Library System - 2	Olcese Water District - 1
Mountains Recreation and Conservation Authority - 218	Olivenhain Municipal Water District - 104
Mt. View Sanitary District of Contra Costa County - 18	Omnitrans - 1,050
Mt. San Antonio College Auxiliary Services - 65	Ophir Hill Fire Protection District - 3
Municipal Water District of Orange County - 32	Orange County Health Authority (Caloptima) - 606
Murphys Sanitary District - 6	Orange County Transportation Authority - 12
Murrieta County Water District - 15	Orange Cove Fire Protection District of Fresno and Tulare Counties - 1
Murrieta Fire Protection District - 47	Orchard Dale County Water District - 8
Napa County Mosquito Abatement District - 7	Orland Cemetery District - 3
Napa County Resource Conservation District - 15	Oro Loma Sanitary District - 55
Napa Sanitation District - 50	Orosi Public Utility District - 6
National Orange Show - 117	Oroville Cemetery District - 7
Natomas Fire Protection District - 0	Oroville Mosquito Abatement District - 1
Nevada Cemetery District - 3	Otay Water District - 243
Nevada County Consolidated Fire District - 54	Oxnard Drainage District No. 2 - 0
Nevada County Local Agency Formation Commission - 3	Oxnard Harbor District - 33
Nevada Irrigation District - 183	Pacific Fire Protection District - 1
Nevada-Sierra Regional IHSS Public Authority - 9	Padre Dam Municipal Water District - 144
Newcastle, Rocklin, Gold Hill Cemetery District - 5	Pajaro Valley Fire Protection Agency - 1
Newhall County Water District - 49	Pajaro Valley Public Cemetery District - 6
Newport Beach City Employees Federal Credit Union - 6	Pajaro Valley Water Management Agency - 24
Nice Community Services District - 8	Palm Ranch Irrigation District - 4
Niland Fire District - 1	Palmdale Water District - 101
Niland Sanitary District - 0	Palo Verde Cemetery District - 11
Nipomo Community Services District - 14	Palo Verde Valley District Library - 5
North Bay Cooperative Library System - 12	Palos Verdes Library District - 58
North Bay Regional Center - 205	Paradise Recreation and Park District - 24
North Bay Schools Insurance Authority - 26	Pasadena City College Bookstore - 13
North Central Counties Consortium - 7	Pasadena Unified School District - 1,405
North Coast County Water District - 24	Paso Robles City Housing Authority - 9

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Patterson Irrigation District - 13
Pauma Valley Community Services District - 29
Peardale Chicago Park Fire Protection District - 3
Pebble Beach Community Services District - 14
Peninsula Fire Protection District - 11
Peninsula Traffic Congestion Relief Alliance - 16
Penn Valley Fire Protection District - 21
Personal Assistance Services Council - 27
Pico Water District - 19
Pine Cove Water District - 4
Pinedale County Water District - 9
Pioneer Cemetery District - 5
Pixley Irrigation District - 9
Placer Consolidated Fire Protection District - 12
Placer County Cemetery District No. 1 - 3
Placer County Resource Conservation District - 2
Placer County Transportation Commission - 10
Placer County Water Agency - 182
Placer Hills Fire Protection District - 16
Placer Mosquito Abatement District - 10
Planning and Service Area II Area Agency on Aging - 7
Pleasant Hill-Martinez Joint Facilities Agency - 161
Pleasant Hill Recreation and Park District - 61
Pleasant Valley County Water District - 5
Pleasant Valley Recreation and Park District - 87
Plumas Local Agency Formation Commission - 1
Point Montara Fire Protection District - 0
Pomerado Cemetery District - 6
Pomona Valley Transportation Authority - 3
Pomona, California State Polytechnic University, Associated Students, Inc. - 57
Port San Luis Harbor District - 31
Porter Vista Public Utility District - 2
Porterville Irrigation District - 5
Porterville Public Cemetery District - 11
Provident Central Credit Union - 1
Public Agency Risk Sharing Authority of California - 5
Public Entity Risk Management Authority - 8
Public Transportation Services Corporation - 2,182
Pupil Transportation Cooperative - 176
Purissima Hills County Water District - 9
Quartz Hill Water District - 20
Quincy Community Services District - 13
Rag Gulch Water District - 7
Rainbow Municipal Water District - 62
Ramona Municipal Water District - 74
Rancho Adobe Fire Protection District - 25
Rancho California Water District - 146
Rancho Cucamonga Fire Protection District - 101
Rancho Murieta Community Services District - 52
Rancho Santa Fe Fire Protection District - 83
Rancho Santiago Community College, Associated Students - 2
Rancho Simi Recreation & Park District - 214
Reclamation District No. 3 - 3
Reclamation District No. 833 - 3
Reclamation District No. 999 - 4
Reclamation District No. 1000 - 11
Reclamation District No. 1001 - 13
Reclamation District No. 1660 - 0
Red Bluff Cemetery District - 5
Redevelopment Agency of City of Fresno - 12
Redwood Coast Regional Center - 129
Redwood Empire Municipal Insurance Fund - 15
Redwood Empire School Insurance Group - 24
Reedley Cemetery District - 7
Regional Center of Orange County - 455
Regional Center of the East Bay - 419
Regional Council of Rural Counties - 69
Regional Water Authority - 3
Rescue Fire Protection District - 9
Resort Improvement District No. 1 - 19
Richardson Bay Sanitary District - 5
Rincon Del Diablo Municipal Water District - 25
Rincon Valley Fire Protection District - 30
Rio Alto Water District - 8
Rio Linda Elverta Community Water District - 18
Rio Vista Cemetery District - 3
Riverbank City Housing Authority - 2
Riverside County Air Pollution Control District - 0
Riverside County Citrus Pest Control District No. 2 - 3
Riverside County Flood Control and Water Conservation District - 269
Riverside County Law Library - 9
Riverside County Regional Park and Open Space District - 112
Riverside County Transportation Commission - 47
Riverside County Waste Resources Management District - 101
Riverside Transit Agency - 524
Riverview Water District - 13
Rockville Cemetery District - 3
Rosamond Community Services District - 15
Rose Bowl Operating Company - 26
Rosedale-Rio Bravo Water Storage District - 4
Roseville Public Cemetery District - 11
Ross Valley Fire Service - 31
Rowland Water District - 22
Rubidoux Community Services District - 19
Running Springs Water District - 42
Russian River Fire Protection District - 18
Sacramento Area Council of Governments - 71
Sacramento City Housing Authority - 382
Sacramento County Public Law Library - 24
Sacramento Metropolitan Air Quality Management District - 119
Sacramento Metropolitan Cable Television Commission - 14
Sacramento Metropolitan Fire District - 745
Sacramento Municipal Utility District - 2,700
Sacramento Public Library Authority - 390
Sacramento Regional Fire/EMS Communications Center - 83
Sacramento Suburban Water District - 52
Sacramento Transportation Authority - 4
Sacramento-Yolo Mosquito and Vector Control District - 89
Salida Fire Protection District - 10

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Salinas Rural Fire District - 28
Salinas Valley Solid Waste Authority - 17
Salton Community Services District - 28
Samoa Peninsula Fire Protection District - 0
San Andreas Regional Center, Inc. - 318
San Andreas Sanitary District - 6
San Benito County Water District - 35
San Bernardino County Housing Authority - 159
San Bernardino County Transportation Authority - 0
San Bernardino Economic Development Agency - 26
San Bernardino Valley Municipal Water District - 27
San Bernardino Valley Water Conservation District - 9
San Bernardino, California State University, Foundation - 282
San Bernardino, California State University, Student Union - 13
San Diego Association of Governments - 200
San Diego County Law Library - 63
San Diego County Water Authority - 338
San Diego Metropolitan Transit Development Board - 121
San Diego Pooled Insurance Program Authority - 2
San Diego Rural Fire Protection District - 18
San Diego State University, Associated Students - 29
San Diego Trolley, Inc. - 691
San Diego Unified School District - 9,444
San Dieguito Water District - 18
San Elijo Joint Powers Authority - 23
San Francisco Bay Area Rapid Transit District - 3,664
San Francisco City and County Housing Authority - 369
San Francisco City and County Redevelopment Agency - 173
San Francisco Community College District Bookstore Auxiliary - 18
San Francisco County Law Library - 12
San Francisco County Transportation Authority - 36
San Francisco Health Authority - 147
San Francisquito Creek Joint Powers Authority - 4
San Gabriel County Water District - 19
San Gabriel Valley Council of Governments - 12
San Gabriel Valley Mosquito and Vector Control District - 33
San Gabriel Valley Municipal Water District - 10
San Geronio Pass Water Agency - 3
San Jacinto Valley Cemetery District - 7
San Joaquin County Housing Authority - 122
San Joaquin County IHSS Public Authority - 9
San Joaquin Delta Community College District - 553
San Joaquin County Local Health District - 0
San Joaquin, Health Plan of - 134
San Juan Water District - 50
San Lorenzo Valley Water District - 30
San Luis Obispo, Cal Poly, Associated Students, Inc. - 109
San Luis Obispo Council of Governments - 14
San Luis Obispo Regional Transit Authority - 11
San Luis Water District - 21
San Mateo County Harbor District - 54
San Mateo County In-Home Supportive Services Public Authority - 6
San Mateo County Law Library - 4
San Mateo County Schools Insurance Group - 13
San Mateo County Transit District - 921
San Mateo District Agency Formation Commission - 2
San Miguel Community Services District - 7
San Miguel Consolidated Fire Protection District - 105
San Pablo City Housing Authority - 4
San Simeon Community Services District - 1
Sanger Cemetery District - 7
Sanitary District No. 5 of Marin County - 11
Santa Ana River Flood Protection Agency - 0
Santa Ana Unified School District - 2,513
Santa Ana Watershed Project Authority - 23
Santa Barbara County Law Library - 3
Santa Barbara County Special Education Local Plan Area - 241
Santa Barbara Regional Health Authority - 185
Santa Clara County Central Fire Protection District - 277
Santa Clara County Health Authority - 153
Santa Clara County Law Library - 9
Santa Clara County Open Space Authority - 13
Santa Clara County Schools Insurance Group - 8
Santa Clara County Traffic Authority - 2
Santa Clara Valley Transportation Authority - 870
Santa Clara Valley Water District - 978
Santa Clarita Valley School Food Services Agency - 127
Santa Cruz Consolidated Emergency Communications Center - 84
Santa Cruz County Law Library - 3
Santa Cruz Local Agency Formation Commission - 1
Santa Cruz Metropolitan Transit District - 401
Santa Fe Irrigation District - 52
Santa Margarita Water District - 175
Santa Maria Public Airport District - 14
Santa Monica Community College District - 623
Santa Nella County Water District - 7
Santa Paula City Housing Authority - 8
Santa Rosa Community Services District - 4
Santa Ynez River Water Conservation District, Improvement District No. 1 - 18
Santiago County Water District - 1
Saratoga Fire Protection District - 31
Sausalito-Marín City Sanitary District - 7
School Risk and Insurance Management Group - 8
Schools Excess Liability Fund - 11
Schools Insurance Authority - 83
Scotts Valley Fire Protection District - 32
Scotts Valley Water District - 19
Selma Cemetery District - 8
Selma-Kingsburg-Fowler County Sanitation District - 36
Serrano Water District - 16
Sewer Authority Mid-Coastside - 19
Sewerage Commission - Oroville Region - 9
Shafter Wasco Irrigation District - 9
Shasta Area Safety Communications Agency - 68
Shasta Community Services District - 6
Shasta Lake Fire Protection District - 12
Shasta Mosquito and Vector Control District - 13
Shasta Valley Cemetery District - 3
Shiloh Public Cemetery District - 5

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Sierra Lakes County Water District - 6
Sierra-Sacramento Valley Emergency Medical Services Agency - 11
Silicon Valley Animal Control Authority - 12
Silveyville Cemetery District - 5
Solano County Mosquito Abatement District - 9
Solano County Water Agency - 11
Solano Irrigation District - 116
Solano Transportation Authority - 19
Soledad Community Health Care District - 0
Sonoma County Library - 172
Sonoma State Enterprises, Inc. - 15
Sonoma Student Union Corporation - 10
Soquel Creek Water District - 47
South Bay Regional Public Communications Authority - 94
South Bayside System Authority - 75
South Central Los Angeles Regional Center for Developmentally Disabled Persons - 311
South Coast Area Transit - 204
South Coast Water District - 98
South County Fire Protection Authority - 50
South East Regional Reclamation Authority - 0
South Kern Cemetery District - 2
South Lake County Fire Protection District - 3
South Orange County Wastewater Authority - 86
South Placer Fire District - 58
South Placer Municipal Utility District - 25
South San Joaquin Irrigation District - 91
South San Luis Obispo County Sanitation District - 14
South Tahoe Public Utility District - 117
Southeast Area Social Services Funding Authority - 74
Southern California Association of Governments - 205
Southern California Public Power Authority - 8
Southern California Regional Rail Authority - 235
Southern San Joaquin Municipal Utility District - 14
Southern Sonoma County Resource Conservation District - 0
Southwest Transportation Agency - 122
Special District Risk Management Authority - 25
Squaw Valley Public Service District - 33
Stallion Springs Community Services District - 15
Stanislaus Consolidated Fire Protection District - 58
Stanislaus County Housing Authority - 113
State Bar of California - 819
State Water Contractors - 7
Stege Sanitary District - 16
Stinson Beach County Water District - 12
Stockton East Water District - 37
Stockton Unified School District - 1,475
Strawberry Recreation District - 12
Suisun Fire Protection District - 2
Suisun Resource Conservation District - 10
Suisun-Fairfield Cemetery District - 3
Summit Cemetery District - 10
Sunnyslope County Water District - 14
Susanville Consolidated Sanitary District - 11
Sutter Cemetery District - 14
Sweetwater Authority - 167
Sweetwater Springs Water District - 14
Sylvan Cemetery District - 5
Tahoe City Public Utility District - 61
Tahoe Transportation District - 0
Tahoe-Truckee Sanitation Agency - 68
Tehachapi-Cummings County Water District - 20
Tehachapi Valley Recreation and Park District - 7
Tehama County Mosquito Abatement District - 6
Templeton Community Services District - 19
Thermalito Irrigation District - 10
Three Arch Bay Community Services District - 1
Three Rivers Community Services District - 1
Three Valleys Municipal Water District - 24
Tiburon Fire Protection District - 22
Torrance City Redevelopment Agency - 0
Trabuco Canyon Water District - 37
Tracy Rural County Fire Protection District - 2
Transportation Agency for Monterey County - 14
Treasure Island Development Authority - 0
Tri-City Mental Health Center - 282
Tri-Counties Association for the Developmentally Disabled - 380
Tri-County Schools Insurance Group - 7
Tri-Dam Housing and Personnel Agency - 21
Trinity County Waterworks District No. 1 - 5
Trinity Public Utilities District - 28
Truckee Donner Public Utility District - 74
Truckee Fire Protection District - 37
Truckee Sanitary District - 43
Truckee Tahoe Airport District - 43
Tulare Mosquito Abatement District - 5
Tulare Public Cemetery District - 9
Tuolumne Utilities District - 79
Turlock Mosquito Abatement District - 14
Twentynine Palms Water District - 40
Twin Cities Police Authority - 59
Ukiah Valley Fire District - 10
Union Public Utility District - 9
Union Sanitary District - 159
United Water Conservation District - 74
Upland City Housing Authority - 34
Upper Lake Fire Protection District - 1
Upper San Gabriel Valley Municipal Water District - 9
Vacaville Fire Protection District - 8
Vacaville-Elmira Cemetery District - 11
Vallecitos Water District - 109
Vallejo Sanitation and Flood Control District - 94
Valley Center Municipal Water District - 87
Valley County Water District - 28
Valley Mountain Regional Center, Inc. - 403
Valley Sanitary District - 24
Valley Springs Public Utility District - 4
Valley of the Moon Water District - 22
Valley-Wide Recreation and Park District - 111
Vandenberg Village Community Services District - 12

CalPERS Public Agency Employers (continued)

Districts & Other Public Agencies

Ventura County Law Library - 6	West Valley-Mission Community College District - 463
Ventura County Schools Business Services Authority - 11	Westborough Water District - 6
Ventura County Schools Self-Funding Authority - 6	Western Municipal Water District - 128
Ventura County Transportation Commission - 22	Western Riverside Council of Governments - 35
Ventura Port District - 44	Westlands Water District - 132
Ventura River County Water District - 6	Westwood Community Services District - 8
Veterans Home of California Post Fund - 27	Wheeler Ridge-Maricopa Water Storage District - 48
Victor Valley Wastewater Reclamation Authority - 45	Wildomar Cemetery District - 4
Victor Valley Water District - 91	Willow Creek Community Services District - 5
Visalia Public Cemetery District - 11	Willows Cemetery District - 3
Vista Irrigation District - 120	Wilton Fire Protection District - 2
Walnut Valley Water District - 71	Windsor Fire Protection District - 14
Walton Fire Protection District - 1	Winterhaven Water District - 3
Wasco Recreation and Park District - 8	Winters Cemetery District - 2
Washington Colony Cemetery District - 4	Winters Fire Protection District - 8
Water Facilities Authority - 8	Winton Water and Sanitary District - 9
Water Replenishment District of Southern California - 47	Woodbridge Rural County Fire Protection District - 44
Weaverville Community Services District - 7	Woodlake Fire District - 2
Weaverville Fire Protection District - 0	Woodside Fire Protection District - 53
Weaverville Sanitary District - 3	Yolo County Communications Emergency Services Agency - 53
West Almanor Community Services District - 2	Yolo County Federal Credit Union - 101
West Basin Municipal Water District - 1	Yolo County Housing Authority - 57
West Bay Sanitary District - 36	Yolo County In-Home Supportive Services Public Authority - 6
West Cities Communication Center - 25	Yolo County Public Agency Risk Management Insurance Authority - 8
West Contra Costa Integrated Waste Management Authority - 8	Yolo County Transportation District - 11
West County Transportation Agency - 132	Yolo-Solano Air Quality Management District - 33
West County Wastewater District - 61	Yorba Linda Water District - 76
West End Communications Authority - 1	Yuba County Water Agency - 33
West Kern Water District - 41	Yuba Sutter Transit Authority - 3
West Stanislaus Irrigation District - 17	Yucaipa Valley Water District - 79
West Valley Sanitation District of Santa Clara County - 29	Yuima Municipal Water District - 12
West Valley Water District - 58	

Total Districts & Other Public Agencies - 1,001

Judges' Retirement System Program Data

Primary Benefits

The Judges' Retirement System (JRS) was established in 1937. The operational activities of the JRS were transferred from the State Controller's Office to CalPERS in 1979. Benefits payable through the JRS are financed by the General Fund, the payroll contributions of members, and the State's contribution as an employer. Both employer and members contribute at the rate of 8 percent of compensation.

Membership

The Judges' Retirement System provides retirement, death, health, and dental benefits for Supreme and Appellate Court Justices, Superior Court Judges, and beneficiaries.

Service Retirement

Retirement Age

Members must be at least age 60 with 20 years of service, or age 70 with at least 10 years of service.

Retirement Benefit Formula

The retirement allowance is a percentage of the current salary of the last judicial office held and is increased proportionally with active judicial salaries. The allowance is based on a member's age and years of service as follows:

Age	Years of Service	Retirement Allowance
60–70	20	75%
66	18	65%
67	16	65%
68	14	65%
69	12	65%
70	10	65%

Judges can work as long as they want and receive their full pension of either 65 percent or 75 percent (depending on credited service). In addition, a surviving spouse benefit of at least one-half of the judge's allowance is provided.

Deferred Retirement

Judges are eligible for deferred retirement at any age if they have at least five years of service. However, judges are not paid the allowance until they reach the age they would be eligible for normal retirement if they had remained in office. A judge must be at least age 63, or age 60 with 20 years of service, to receive a retirement allowance. The allowance is based on years of service multiplied by a percentage of the judge's final salary — varying from 2 percent for five years to 3.75 percent for 12 or more years of service. The maximum benefit they can receive is 75 percent of salary.

Disability Retirement (Non-Work Related)

Judges must apply to the Commission on Judicial Performance to receive a disability retirement. There is no age requirement.

The service requirement is four years. The retirement allowance is 65 percent of the judge's final salary, or 75 percent of their final salary if the judge has 20 or more years of service.

Judges' Retirement System Program Data (continued)

Disability Retirement (Work Related)

Judges receive the same amount as those for a non-work related disability. Any person becoming a judge between January 1, 1980 and December 31, 1988, must have at least two years of judicial service; or after January 1, 1989, must have four years of judicial service, unless the disability is a result of injury or disease arising out of and in the course of judicial service.

Death Benefits (Before Retirement)

Not Eligible to Retire

Spouses or registered domestic partners can receive 25 percent of current active judges' salary for life or return of contributions plus one month's salary, for each year of service not to exceed six months; or the surviving spouse or registered domestic partner can elect a monthly allowance for life, if the judge had paid an extra \$2 per month and had 10 to 20 years of service. This allowance would be equal to 1.625 percent of the salary multiplied by the number of years of service.

Eligible to Retire

Spouses or registered domestic partners receive one-half of what the retirement allowance would have been if the judge had retired on date of death.

Death Benefits (After Retirement)

Spouses or registered domestic partners receive one-half of the retirement pension for life, if the member retired with the standard retirement benefit formula, or on disability.

Judges may elect to take a reduced retirement allowance in order to enhance the survivor benefits to their spouse, registered domestic partner, or a designated beneficiary.

Cost-Of-Living Adjustments (COLA)

The allowance increases are based on the current salary of an active judge. Retirees receive the same increase as active judges.

Active Members & Former Judges on Deferred Retirement

Active	751
Deferred Retirement	74
Total Active & Deferred Members	825

Benefit Recipients by Retirement Type

Category	Retired Judges	Survivors & Beneficiaries	Total
Service Retirement	309	298	607
Disability Retirement	50	—	50
Deferred Retirement	468	150	618
Optional Settlement	269	37	306
Pre-Retirement Survivor	—	79	79
Total	1,096	564	1,660

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$106,663,867
Disability Retirement	5,021,978
Beneficiary Death Benefits/Life Allowance	21,901,986
Total	\$133,587,831

Judges' Retirement System Program Data (continued)

Average Benefit Payments — As of June 30, 2005 Six-Year Review ¹

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2004/05							
Average Monthly Allowance ²	\$2,205	\$3,179	\$5,226	\$6,116	\$7,720	\$7,454	\$7,328
Average Final Compensation	\$11,987	\$12,208	\$12,405	\$12,370	\$12,484	\$12,531	\$13,327
Number of Recipients ²	3	8	17	23	59	9	2

Notes:

¹ CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional years of information will be added each year as it becomes available to provide a six-year review.

² These averages and totals are for retired members, beneficiaries, and community property recipients.

Judges' Retirement System II Program Data

Primary Benefits

The Judges' Retirement System II (JRS II) was established in 1994 to create a fully funded, actuarially-sound retirement system for judges appointed or elected on or after November 9, 1994. This system provides a unique combination of two basic types of retirement benefits: a defined benefit plan and a monetary credit plan. The defined benefit plan provides a lifetime monthly retirement allowance of up to 75 percent of final compensation. The monetary credit plan allows for a refund of member contributions, a portion of the employer contributions, and interest. Members contribute at the rate of 8 percent of compensation.

Membership

The JRS II provides retirement, death, health, and dental benefits for Supreme, Appellate Court Justices, and Superior Court Judges, first appointed or elected after November 9, 1994, and their beneficiaries.

Service Retirement

Retirement Age

Judges must be at least age 65 with 20 years of service or age 70 with a minimum of five years of service to receive the defined benefit plan. Judges must have at least five years of service to receive the monetary credit plan.

Retirement Formula

Defined Benefit Plan

This option provides a defined benefit of 3.75 percent of the highest 12-month average salary per year of service, up to 75 percent for judges reaching age 65 with at least 20 years of service. Optional settlements are available which reduce a judge's retirement allowance to provide a lifetime benefit for a surviving spouse upon death of the judge.

Monetary Credit Plan

This option provides a cash payment in a single lump sum, or the member may elect to receive an annuity at retirement based on the accumulated contributions of the employee and the employer. To receive the annuity a judge must meet the minimum qualifications required under the defined benefit plan. Lifetime benefits are not provided under this plan.

Disability Retirement (Non-Work Related)

Judges who have five years of service and become permanently disabled because of a mental or physical disability may apply to the Commission on Judicial Performance for disability retirement.

An allowance is based on the judge's age and will be the amount equal to the lower of the following:

- the monthly benefit of 3.75 percent of the final compensation multiplied by the number of years of service the judge would have been credited had the judge continued to work until the age the judge would have first been eligible to retire, or
- 65 percent of the judge's average monthly salary during the 12 months preceding the retirement date.

Disability Retirement (Work Related)

Judges receive 65 percent of the judge's average monthly salary during the 12 months preceding the retirement date, regardless of age or length of service.

Judges' Retirement System II Program Data (continued)

Death Benefits (Before Retirement)

Eligible for the Defined Benefit Plan

Spouses or registered domestic partners receive either the monthly retirement allowance equal to one-half of the judge's defined benefit plan allowance or the judge's monetary credits. At any time while in office, a judge may make an irrevocable election for their eligible surviving spouse or registered domestic partner to receive the maximum survivor benefit (Option 2) in the event of the judge's pre-retirement death.

Eligible for the Monetary Credit Plan

Spouses or registered domestic partners receive the judge's monetary credits or three times the annual salary at the time of death, whichever is greater.

Death Benefits (After Retirement)

Defined Benefit Plan

Judges retiring on the defined benefit plan are offered the choice of one of four optional settlement benefits to increase the survivor benefits to their eligible surviving spouse or registered domestic partner.

Monetary Credit Plan

If the judge elected to receive the monetary credit plan in a lump sum, there are no survivor benefits. If the judge elected monetary credit plan in an annuity, the spouse or registered domestic partner receives a lump sum payment of the remaining funds at the time of the judge's death.

Cost-Of-Living Adjustments (COLA)

The retirement allowance of retired judges who have elected the Defined Benefit Plan will be adjusted every January after the judge has been retired six months. The adjustment is based on the United States city average of the Consumer Price Index For All Urban Consumers, as published by the United States Bureau of Statistics. This adjustment will not be less than 1 percent or more than 3 percent.

Active Judges

Active	831
Total Members	831

Benefit Recipients by Retirement Type

Category	Retired Judges	Survivors & Beneficiaries	Total
Service Retirement	1	—	1
Disability Retirement	2	—	2
Optional Settlement	3	—	3
Pre-Retirement Survivor	—	7	7
Total	6	7	13

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$50,728
Disability Retirement	61,421
Beneficiary Death Benefits	723,091
Beneficiary Death Benefits/Life Allowance	24,209
Total	\$859,449

Judges' Retirement System II Program Data (continued)

Average Benefit Payments — As of June 30, 2005 Six-Year Review ¹

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2004/05							
Average Monthly Allowance ²	\$11,987	\$7,080	\$ —	\$ —	\$ —	\$ —	\$ —
Average Final Compensation	\$11,987	\$11,987	\$ —	\$ —	\$ —	\$ —	\$ —
Number of Recipients ²	1	2	—	—	—	—	—

Notes:

¹ CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional years of information will be added each year as it becomes available to provide a six-year review.

² These averages and totals are for retired members, beneficiaries, and community property recipients.

Legislators' Retirement System Program Data

Primary Benefits

CalPERS has administered the Legislators' Retirement System (LRS) since its inception in 1947. The duties of the Board with respect to administering the LRS are the same as for CalPERS on such items as determining membership and benefit rights, making investments, crediting interest, and obtaining information necessary for administration.

Benefits payable by the LRS are financed through member contributions, the State's contribution as an employer, and interest earned on investments. The employer statutory contribution rate was eliminated in January 2000, and the CalPERS Board is now authorized to establish actuarially determined rates.

When the actuarial value of the assets exceeds the present value of benefits, resulting in a 0 percent employer contribution rate, the Board may reduce the member contribution rates for the same fiscal year in which the State rate is 0 percent. For fiscal year 2005-06, the Board has determined that both the employer rate and the member rate will be 0 percent. Interest credited to the member's accounts is the net earnings rate of investments.

Proposition 140

Proposition 140, the Political Reform Act of 1990, requires that Legislators (Senators and Members of the Assembly) first elected after November 7, 1990 participate in the federal Social Security program and in no other retirement system.

Membership

Members of the Legislature serving prior to November 7, 1990, elected Constitutional Officers, and Legislative Statutory Officers are eligible for benefits.

Service Retirement

Retirement Age

The retirement age is 60, with four or more years of service credit, or any age with 20 or more years. The retirement age for Legislative Statutory Officers is 55, or any age with 20 years or more of service credit.

Members of the Legislature Benefit Formula

The retirement formula consists of three separate formulas that are totaled together to provide the members with their allowance. The first part of the formula consists of 5 percent of the first \$500 of salary up to 15 years of service. The second part is 3 percent per year of the same \$500 of salary for years in excess of 15 years. And finally, total years of service is multiplied by 3 percent per year of their salary above \$500. In no case may a member receive more than two-thirds of their salary.

Constitutional Officers' Benefit Formula

Five percent per year of service up to eight years (40 percent) of their highest salary. If the member has 24 or more years of service, the retirement allowance is 60 percent of their final salary.

Statutory Officers' Benefit Formula

Statutory Officers receive 3 percent per year of service, not to exceed 66 percent of final monthly compensation.

Early Retirement Options for Members of the Legislature & Constitutional Officers

Legislators and Constitutional Officers may retire before age 60 with 15 years of service. However, their retirement allowance is reduced by 2 percent for each year they retire before age 60.

Legislators' Retirement System Program Data (continued)

Disability Retirement

Disability retirement uses the same formula as service retirement. There is no reduction if retirement is before age 60 for members of the Legislature.

Death Benefits (Before Retirement)

Not Eligible to Retire

One month's salary for each year of service, plus the return of the member's contributions with interest payable to a survivor.

Eligible to Retire

If the member has elected one of the optional settlements, their beneficiary will receive the benefit provided by the option selected, calculated as if the date of death had been the date of retirement. In lieu of this benefit, the beneficiary may elect an allowance of one-half the unmodified retirement allowance, payable until death or remarriage.

Death Benefits While in Office

Beneficiaries receive a lump sum benefit in an amount equal to the annual compensation of an LRS member during the 12 months preceding the member's death, regardless of whether the member was eligible to retire.

Death Benefits (After Retirement)

Members choose between one of four options. The level of survivor benefit is based on the option chosen, without a reduction in allowance for members of the Legislature, Constitutional Officers, and Statutory Officers receive a reduced allowance based on their age at time of retirement and the option they choose. Beneficiaries also receive a \$600 lump sum payment.

Cost-Of-Living Adjustments (COLA)

The annual COLA is determined by the Consumer Price Index.

Legislators' Retirement System Program Data (continued)

Active & Inactive Members

Category	Active	Inactive	Total
Members of the Legislature	4	23	27
Constitutional Officers	7	8	15
Legislative Statutory Officers	4	—	4
Total Members	15	31	46

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$6,961,228
Disability Retirement	203,272
Beneficiary Death Benefits	4,800
Beneficiary Death Benefits/Allowance	144,356
Total	\$7,313,656

Benefit Recipients by Type

Category	Retired Members	Survivors & Beneficiaries	Total
Members of the Legislature			
Service Retirement	121	106	227
Disability Retirement	3	3	6
Pre-Retirement Option 2	—	—	—
Total Members of the Legislature	124	109	233
Constitutional Officers			
Service Retirement	19	3	22
Disability Retirement	1	—	1
Pre-Retirement Option 2	—	2	2
Total Constitutional Officers	20	5	25
Legislative Statutory Officers			
Service Retirement	3	2	5
Disability Retirement	—	—	—
Pre-Retirement Option 2	—	—	—
Total Legislative Statutory Officers	3	2	5
Total	147	116	263

Legislators' Retirement System Program Data (continued)

Average Benefit Payments — As of June 30, 2005 Six-Year Review ¹

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2004/05							
Average Monthly Allowance ²	\$565	\$1,053	\$935	\$1,067	\$5,358	\$ —	\$ —
Average Final Compensation ³	\$4,375	\$4,375	\$ —	\$ —	\$8,714	\$ —	\$ —
Number of Recipients ²	1	1	1	5	5	—	—

Notes:

¹ CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional years of information will be added each year as it becomes available to provide a six-year review.

² These averages and totals are for retired members, beneficiaries, and community property recipients.

³ Beneficiaries of LRS members do not receive a benefit calculated from an average monthly compensation. It is based on a percentage of the member's benefit (which has been increased by yearly cost-of-living adjustments). As a result, Average Final Compensation information does not include salary averages for beneficiaries.

Volunteer Firefighters' Length of Service Award System Program Data

Primary Benefits

The Volunteer Firefighters' Length of Service Award System, administered through CalPERS, was established in 1980 as a way for fire departments to offer their volunteers monetary acknowledgment for their service. A fire department contracts with CalPERS to handle the administration of length of service benefits to its volunteers who follow the program guidelines. All costs for the program are paid for by department contributions. There are no contributions from volunteers. An actuarial valuation is conducted at the start of the contract to determine the contributions required.

Service Awards

A volunteer member with 20 years of service credit can receive \$1,200 annually for life (paid in monthly installments). The minimum award a volunteer can receive is \$600 annually for life for 10 years of service. A \$3,000 lump sum death benefit is payable to the named beneficiary of any member of the System with 10 or more years of service. It is also payable to the named beneficiary of an award recipient. The death does not have to be the result of an in-the-line-of-duty accident.

Active & Inactive Members

Active/Inactive Firefighters	4,173
Firefighters Receiving Awards	128
Total Members	4,301

Benefit Payments by Type

<u>Category</u>	<u>Amount Paid</u>
Award Payments	\$102,550

Volunteer Firefighters' Length of Service Award System Program Data (continued)

Participating Agencies

American Canyon Fire Protection District	Olancha-Cartago Fire Department
Cambria Fire Department	Orange County Fire Department
Ceres Department of Public Safety	Palomar Mountain Volunteer Fire Department
Chico Fire Department	Placerville Fire Department, City of
Clearlake Oaks Fire Protection District	Pleasant Valley Fire Protection District
Coalinga Fire Department	Pollock Pines/Camino Volunteer Fire Association
Coloma-Lotus Volunteer Fire Association	Red Bluff Fire Department, City of
Corcoran Volunteer Fire Department	Ross Valley Fire Protection District
Corning, City of	Sacramento Metropolitan Fire District
Diamond Springs Fire Department	Samoa Peninsula Fire Protection District
El Dorado County Fire Protection District	San Mateo County Fire Department
Fairfield Volunteer Fire Department	San Ramon Valley Fire Protection District
Foothill Volunteer Fire Department	Sebastopol Fire Protection District
Fort Dick Fire Protection District	Shasta County Fire Department
Gonzales Volunteer Fire Department	Shasta Lake Fire Protection District
Grass Valley Fire Department	Shingle Springs Fire Department
Humboldt No. 1 Fire Department District	Sierra Madre Fire Department
Idyllwild Fire Protection District	South Placer Fire Protection District
Julian Cuyamaca Fire Protection District	St. Helena Volunteer Fire Department
Lakeshore Fire Protection District	Susan River Fire Protection District
Latrobe Fire Protection District	Sutter Creek Fire Protection District
Lemoore Volunteer Fire Department	Templeton Community Service District - Fire Department
Long Valley Fire Protection District	Town of Paradise Fire Department
Los Banos Fire Department, City of	Walnut Grove Fire Protection District
Marysville Fire Department	Willow Creek Volunteer Fire Department
Mt. Laguna Volunteer Fire Department	Willows Fire Department
North Central Fire Protection District	Woodland Fire Department

Total - 54

Statistical Section

Other Programs

We develop and administer quality, sustainable retirement and health benefit programs that are responsive to and valued by our members and employers.

Expenses & Revenues — Enterprise Funds

10-Year Review

(Dollars in Thousands)

Contingency Reserve Fund

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Operating Revenues										
Health Premiums Collected	\$1,683,317	\$1,520,622	\$1,410,584	\$855,736	\$2,510	\$1,483	\$825	\$398	\$367	\$368
Administrative Fees & Other	13,140	16,808	16,218	7,252	12,833	11,140	12,253	8,228	7,544	7,335
Total Operating Revenues	\$1,646,457	\$1,537,430	\$1,426,802	\$862,988	\$15,343	\$12,623	\$13,078	\$8,626	\$7,911	\$7,703
Operating Expenses										
Health Premiums Remitted to Insurance Carriers	\$1,633,317	\$1,520,622	\$1,410,584	\$855,736	\$2,510	\$1,483	\$825	\$398	\$367	\$368
Administrative Expenses	16,356	17,109	15,384	17,033	12,689	9,169	8,520	7,373	7,441	7,444
Total Operating Expenses	\$1,649,673	\$1,537,727	\$1,425,968	\$872,769	\$15,199	\$10,652	\$9,345	\$7,771	\$7,808	\$7,812
Operating Income (Loss)	(\$3,216)	(\$301)	\$834	(\$9,781)	\$144	\$1,971	\$3,733	\$855	\$103	(\$109)
Non-Operating Revenues										
Investment Income	\$5,049	\$2,817	\$1,787	\$1,112	\$417	\$674	\$524	\$303	\$256	\$216
Total Non-Operating Revenues	\$5,049	\$2,817	\$1,787	\$1,112	\$417	\$674	\$524	\$303	\$256	\$216
Change in Unrestricted Net Assets	\$1,833	\$2,516	\$2,621	(\$8,669)	\$561	\$2,645	\$4,257	\$1,158	\$359	\$107
Total Unrestricted Net Assets										
Beginning of Year	\$7,846	\$5,330	\$2,709	\$11,378	\$10,817	\$8,172	\$3,915	\$2,757	\$2,398	\$2,291
End of Year	\$9,679	\$7,846	\$5,330	\$2,709	\$11,378	\$10,817	\$8,172	\$3,915	\$2,757	\$2,398

Health Care Fund

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Operating Revenues										
Self-Insurance Premiums	\$1,211,210	\$1,105,131	\$1,042,720	\$941,185	\$740,073	\$569,751	\$461,207	\$382,814	\$345,053	\$328,906
Health Premiums Collected	—	—	—	—	739,327	653,858	542,960	465,278	415,552	391,946
Other	—	—	—	—	—	164	135	—	—	36
Total Operating Revenues	\$1,211,210	\$1,105,131	\$1,042,720	\$941,185	\$1,479,400	\$1,223,773	\$1,004,302	\$848,092	\$760,605	\$720,888
Operating Expenses										
Actual & Estimated Claims	\$1,131,419	\$1,026,058	\$886,460	\$798,628	\$639,803	\$560,763	\$507,948	\$379,983	\$318,525	\$306,349
Administrative Expenses	67,679	65,902	58,182	50,296	43,572	41,180	35,780	37,869	26,873	29,796
Health Premiums Remitted to Insurance Carriers	—	—	—	—	739,327	653,858	542,960	465,278	415,552	391,947
Total Operating Expenses	\$1,199,098	\$1,091,960	\$944,642	\$848,924	\$1,422,702	\$1,255,801	\$1,086,688	\$883,130	\$760,950	\$728,092
Operating Income (Loss)	\$12,112	\$13,171	\$98,078	\$92,261	\$56,698	(\$32,028)	(\$82,386)	(\$35,038)	(\$345)	(\$7,204)
Non-Operating Revenues										
Investment Income	\$18,029	\$10,041	\$5,321	\$6,307	\$7,418	\$11,100	\$10,891	\$11,835	\$13,624	\$11,690
Total Non-Operating Revenues	\$18,029	\$10,041	\$5,321	\$6,307	\$7,418	\$11,100	\$10,891	\$11,835	\$13,624	\$11,690
Change in Unrestricted Net Assets	\$30,141	\$23,212	\$103,399	\$98,568	\$64,116	(\$20,928)	(\$71,495)	(\$23,203)	\$13,279	\$4,486
Total Unrestricted Net Assets										
Beginning of Year	\$295,028	\$271,816	\$168,417	\$69,849	\$5,733	\$26,661	\$98,156	\$121,359	\$108,080	\$103,594
End of Year	\$325,169	\$295,028	\$271,816	\$168,417	\$69,849	\$5,733	\$26,661	\$98,156	\$121,359	\$108,080

Expenses & Revenues — Enterprise Funds (continued)

10-Year Review

(Dollars in Thousands)

Deferred Compensation Fund

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Operating Revenues										
Administrative Fees	\$1,115	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Investment Management Fees	628	460	—	—	—	—	—	—	—	—
Other	(1)	1,262	918	1,232	985	1,396	1,312	1,070	743	430
Total Operating Revenues	\$1,742	\$1,722	\$918	\$1,232	\$985	\$1,396	\$1,312	\$1,070	\$743	\$430
Operating Expenses										
Administrative Expenses	\$1,338	\$1,215	\$864	\$1,016	\$1,148	\$2,141	\$1,594	\$1,175	\$675	\$303
Total Operating Expenses	\$1,338	\$1,215	\$864	\$1,016	\$1,148	\$2,141	\$1,594	\$1,175	\$675	\$303
Operating Income (Loss)	\$404	\$507	\$54	\$216	(\$163)	(\$745)	(\$282)	(\$105)	\$68	\$127
Non-Operating Revenues										
Investment Income	\$139	\$51	\$15	\$22	\$46	\$76	\$91	\$54	\$66	\$41
Total Non-Operating Revenues	\$139	\$51	\$15	\$22	\$46	\$76	\$91	\$54	\$66	\$41
Change in Unrestricted Net Assets	\$543	\$558	\$69	\$238	(\$117)	(\$669)	(\$191)	(\$51)	\$134	\$168
Total Unrestricted Net Assets										
Beginning of Year	\$933	\$375	\$306	\$68	\$185	\$854	\$1,045	\$1,096	\$962	\$794
End of Year	\$1,476	\$933	\$375	\$306	\$68	\$185	\$854	\$1,045	\$1,096	\$962

Long-Term Care Fund

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Operating Revenues										
Self-Insurance Premiums	\$243,690	\$241,663	\$225,128	\$200,936	\$186,595	\$168,625	\$152,423	\$134,700	\$112,468	\$79,399
Total Operating Revenues	\$243,690	\$241,663	\$225,128	\$200,936	\$186,595	\$168,625	\$152,423	\$134,700	\$112,468	\$79,399
Operating Expenses										
Claims	\$78,007	\$65,369	\$53,022	\$41,106	\$31,494	\$18,090	\$10,682	\$6,843	\$3,251	\$976
Increase (Decrease) in Estimated Liabilities	219,400	840,700	585,000	(85,000)	222,559	232,532	215,962	100,460	115,430	77,063
Administrative Expenses	17,053	16,285	15,305	15,416	14,625	15,462	11,893	11,709	12,726	14,125
Total Operating Expenses	\$314,460	\$924,076	\$653,327	(\$28,478)	\$268,678	\$266,084	\$238,537	\$119,012	\$131,407	\$92,164
Operating Income (Loss)	(\$70,770)	(\$680,691)	(\$428,199)	\$229,414	(\$82,083)	(\$97,459)	(\$86,114)	\$15,688	(\$18,939)	(\$12,765)
Non-Operating Revenues										
Investment Income	\$121,703	\$124,474	\$141,686	\$52,748	(\$61,080)	(\$37,802)	\$34,364	\$39,767	\$30,923	\$12,718
Total Non-Operating Revenues	\$121,703	\$124,474	\$141,686	\$52,748	(\$61,080)	(\$37,802)	\$34,364	\$39,767	\$30,923	\$12,718
Change in Unrestricted Net Assets	\$50,933	(\$556,217)	(\$286,513)	\$282,162	(\$143,163)	(\$135,261)	(\$51,750)	\$55,455	\$11,984	(\$47)
Total Unrestricted Net Assets										
Beginning of Year	(\$822,431)	(\$266,214)	\$20,299	(\$261,863)	(\$118,700)	\$16,561	\$68,311	\$12,856	\$872	\$919
End of Year	(\$771,498)	(\$822,431)	(\$266,214)	\$20,299	(\$261,863)	(\$118,700)	\$16,561	\$68,311	\$12,856	\$872

Health Benefits Program Data

Enrollments by Health Plan

	Basic			Medicare			Total Enrollments
	Active	Retired	Total	Active	Retired	Total	
Blue Shield California	130,794	19,094	149,888	3	14,918	14,921	164,809
CAHP	5,822	2,123	7,945	0	1,866	1,866	9,811
CCPOA	8,119	667	8,786	0	134	134	8,920
Kaiser California	133,951	25,775	159,726	5	35,888	35,893	195,619
Kaiser/Out-of-State	19	593	612	0	821	821	1,433
PERS Choice	69,332	22,185	91,517	4	18,120	18,124	109,641
PERSCare	8,573	5,113	13,686	8	39,415	39,423	53,109
PORAC	3,733	1,413	5,146	0	433	433	5,579
Western Health Advantage	7,391	492	7,883	0	280	280	8,163
Total	367,734	77,455	445,189	20	111,875	111,895	557,084

Five-Year Enrollments

	2006	2005	2004	2003	2002
Total Covered Lives — Employees, Annuitants, & Dependents	1,205,945	1,190,212	1,200,668	1,240,595	1,249,175
Total Prime Lives — Employees & Annuitants	557,084	544,913	544,770	559,459	560,668

Basic & Supplemental Health Plan Enrollments

Plan Type	Basic			Medicare			Total Enrollments
	Active	Retired	Total	Active	Retired	Total	
PPO	77,905	27,298	105,203	12	57,535	57,547	162,750
HMO	272,155	45,954	318,109	8	51,907	51,915	370,024
Association	17,674	4,203	21,877	0	2,433	2,433	24,310
Total	367,734	77,455	445,189	20	111,875	111,895	557,084

Health Benefits Program Data (continued)

Participating Public Agency Summary

	2006	2005
Counties	29	29
Cities	302	302
Districts & Other Public Agencies	692	696
School Districts	114	115
Total	1,137	1,142

Participating Public Agencies by Type

Counties

Amador - 115	Nevada - 1,312
Butte - 2,167	Placer - 3,341
Colusa - 365	Plumas - 124
Contra Costa - 1,265	Riverside - 1,069
Glenn - 559	San Benito - 232
Humboldt - 1,867	San Luis Obispo - 2,569
Inyo - 537	Santa Cruz - 3,066
Lake - 980	Shasta - 2,042
Lassen - 421	Siskiyou - 767
Madera - 1,419	Solano - 1,937
Mariposa - 529	Trinity - 513
Modoc - 156	Tuolumne - 808
Mono - 382	Yolo - 1,744
Monterey - 4,599	Yuba - 964
Napa - 1,019	Total - 29

Cities

Agoura Hills - 49	Bell - 156
Alameda - 889	Bellflower - 127
Albany - 104	Belmont - 155
Alhambra - 462	Belvedere - 27
Aliso Viejo - 16	Beverly Hills - 1,058
American Canyon - 74	Biggs - 11
Angels - 44	Bishop - 82
Antioch - 430	Blythe - 143
Arcadia - 373	Brawley - 174
Arroyo Grande - 137	Brea - 473
Artesia - 60	Brentwood - 298
Atherton - 60	Brisbane - 106
Atwater - 135	Buellton - 21
Auburn - 96	Buena Park - 530
Avalon - 77	Burbank - 1,221
Avenal - 3	Burlingame - 480
Azusa - 265	Calabasas - 101
Baldwin Park - 278	California City - 64
Barstow - 237	Calimesa - 1

Cities

Calistoga - 55	Foster City - Elected Officials - 0
Camarillo - 150	Fountain Valley - 369
Campbell - 167	Fremont - 871
Canyon Lake - 2	Fullerton - 136
Capitola - 61	Garden Grove - 814
Carlsbad - 745	Gilroy - 304
Carmel-By-The-Sea - 85	Glendora - 196
Carpinteria - 36	Goleta - 37
Carson - 503	Gonzales - 33
Cathedral City - 257	Grass Valley - 138
Cerritos - 403	Gridley - 63
Chino - 289	Guadalupe - 31
Chino Hills - 35	Half Moon Bay - 55
Citrus Heights - 110	Hanford - 216
Clayton - 27	Hawaiian Gardens - 92
Coachella City - 55	Hawthorne - 464
Colma - 56	Hayward - 1,281
Colton - 71	Hercules - 79
Colusa - 41	Hesperia - 103
Commerce - 282	Hidden Hills - 3
Compton - 829	Highland - 27
Concord - 675	Hillsborough - 193
Corona - 86	Hollister - 80
Coronado - 233	Huntington Beach - 371
Corte Madera - 95	Huntington Park - 333
Costa Mesa - 841	Imperial Beach - 59
Covina - 19	Indian Wells - 59
Crescent City - 67	Indio - 318
Cudahy - 32	Ione - 17
Culver City - 1,110	Irwindale - 131
Cupertino - 243	Jackson - 45
Cypress - 221	King City - 52
Daly City - 690	La Canada Flintridge - 29
Dana Point - 42	La Habra - 355
Davis - 461	La Habra Heights - 20
Del Rey Oaks - 10	La Mesa - 185
Diamond Bar - 45	La Mirada - 134
Dixon - 101	La Palma - 88
Duarte - 82	La Puente - 61
Dublin - 119	La Quinta - 98
El Cajon - 290	Laguna Niguel - 60
El Monte - 472	Laguna Woods - 7
El Segundo - 514	Lake Elsinore - 115
Elk Grove - 123	Lake Forest - 55
Emeryville - 133	Lakewood - 132
Encinitas - 247	Larkspur - 94
Escalon - 36	Lathrop - 90
Etna - 6	Lawndale - 60
Fairfax - 38	Lemon Grove - 93
Farmersville - 30	Lemoore - 77
Firebaugh - 39	Lincoln - 202
Fort Jones - 3	

Health Benefits Program Data (continued)

Cities

Live Oak - 21	Novato - 84	Rocklin - 342	Sierra Madre - 76
Lodi - 578	Oakdale - 73	Rolling Hills - 7	Signal Hill - 180
Loma Linda - 85	Oakland - 6,784	Rolling Hills Estates - 34	Solana Beach - 69
Lomita - 65	Oceanside - 137	Rosemead - 74	Solvang - 40
Lompoc - 427	Ojai - 45	Roseville - 1,465	South El Monte - 58
Loomis - 13	Ontario - 549	Ross - 24	South Gate - 405
Los Alamitos - 81	Orange - 777	Salinas - 97	South Pasadena - 265
Los Altos - 157	Orinda - 41	San Anselmo - 80	Stanton - 70
Los Altos Hills - 27	Orland - 20	San Carlos - 161	Suisun City - 80
Los Banos - 207	Oxnard - 80	San Clemente - 235	Sunnyvale - 1,461
Los Gatos - 195	Pacific Grove - 121	San Dimas - 72	Sutter Creek - 17
Lynwood - 290	Pacifica - 120	San Fernando - 226	Temecula - 119
Malibu - 73	Palm Desert - 185	San Francisco City & County - 118	Temple City - 61
Mammoth Lakes - 95	Palm Springs - 155	San Gabriel - 187	Thousand Oaks - 573
Manhattan Beach - 292	Palmdale - 383	San Jacinto - 4	Tiburon - 51
Manteca - 408	Palo Alto - 1,721	San Juan Capistrano - 117	Torrance - 1,672
Marina - 88	Paradise - 149	San Leandro - 598	Tustin - 339
Martinez - 66	Paramount - 131	San Luis Obispo - 328	Twentynine Palms - 40
Maywood - 99	Pasadena - 2,088	San Marcos - 77	Ukiah - 92
McFarland - 14	Patterson - 68	San Marino - 142	Union City - 292
Menlo Park - 305	Perris - 101	San Mateo - 894	Upland - 32
Millbrae - 146	Petaluma - 364	San Pablo - 172	Vacaville - 753
Milpitas - 556	Pico Rivera - 240	San Rafael - 653	Vallejo - 84
Mission Viejo - 101	Piedmont - 113	Sand City - 5	Villa Park - 11
Modesto - 189	Pinole - 161	Santa Ana - 1,278	Weed - 15
Montague - 5	Pismo Beach - 68	Santa Clara - 1,146	West Covina - 506
Monte Sereno - 5	Placerville - 104	Santa Clarita - 282	West Hollywood - 211
Montebello - 573	Pomona - 1,020	Santa Cruz - 923	West Sacramento - 90
Monterey - 474	Port Hueneme - 28	Santa Fe Springs - 377	Westlake Village - 15
Moorpark - 67	Portola Valley - 12	Santa Maria - 390	Westminster - 452
Moreno Valley - 306	Rancho Cordova - 25	Santa Monica - 266	Williams - 24
Morgan Hill - 163	Rancho Mirage - 85	Santa Paula - 61	Willows - 43
Morro Bay - 129	Rancho Santa Margarita - 17	Santa Rosa - 403	Winters - 26
Mt. Shasta - 29	Redlands - 639	Saratoga - 74	Woodlake - 28
Murrieta - 152	Redwood City - 789	Sausalito - 83	Woodland - 447
Napa - 90	Reedley - 127	Scotts Valley - 89	Woodside - 16
Newark - 191	Rialto - 486	Seal Beach - 130	Yorba Linda - 129
Newport Beach - 665	Richmond - 1,240	Selma - 139	Yountville - 34
Norco - 160	Ridgecrest - 80	Shasta Lake - 57	Yreka - 63
Norwalk - 430	Rio Vista - 70		Yuba City - 83
			Yucaipa - 35
			Yucca Valley - 46

Total - 302

Health Benefits Program Data (continued)

Districts & Other Public Agencies

Academic Senate for California Community Colleges - 6	Benicia City Housing Authority - 13
Agoura Hills and Calabasas Community Center - 8	Bennett Valley Fire Protection District - 4
Alameda Corridor Transportation Authority - 18	BETA Healthcare Group Risk Management Authority - 60
Alameda County Congestion Management Agency - 12	Big Bear Area Regional Wastewater Agency - 23
Alameda County Fire Department - 383	Big Bear City Airport District - 7
Alameda County Law Library - 15	Big Bear City Community Services District - 88
Alameda County Mosquito Abatement District - 26	Black Gold Cooperative Library System - 11
Alameda County Schools Insurance Group - 4	Blanchard/Santa Paula Public Library District - 12
Alameda County Transportation Authority - 0	Bonita-Sunnyside Fire Protection District - 27
Alameda County Transportation Improvement Authority - 10	Boulder Creek Fire Protection District - 2
Alameda County Waste Management Authority - 40	Branciforte Fire Protection District - 4
Alameda County Water District - 345	Brannan-Andrus Levee Maintenance District - 2
Albany Municipal Services Joint Powers Authority - 21	Buena Park Library District - 32
Alhambra Redevelopment Agency - 6	Burney Cemetery District - 2
Aliso Water Management Agency - 0	Butte County Air Quality Management District - 12
Alliance of Schools for Cooperative Insurance Programs - 14	Butte County In-Home Supportive Services Public Authority - 3
Alpine Springs County Water District - 4	Butte County Law Library - 1
Altadena Library District - 38	Butte County Superior Court - 113
Amador Water Agency - 65	Cal Poly Corporation - 332
American Canyon Fire District - 18	Calaveras County Superior Court - 23
Anderson Cemetery District - 2	Calaveras County Water District - 98
Anderson Fire Protection District - 13	Calaveras Public Utility District - 4
Antelope Valley Mosquito and Vector Control District - 8	California Administrative Services Authority - 0
Apple Valley Fire Protection District - 65	California Authority of Racing Fairs - 12
Aptos/La Selva Fire Protection Agency - 50	California Bear Credit Union - 59
Arbuckle-College City Fire Protection District - 4	California Dried Plum Board - 5
Arcade Water District - 0	California Fair Services Authority - 42
Arcata Fire Protection District - 25	California Fairs Financing Authority - 36
Area 12 Agency on Aging - 14	California Interscholastic Federation, Central Coast Section - 1
Arrowbear Park County Water District - 8	California Interscholastic Federation, North Coast Section - 5
Arroyo Grande District Cemetery - 4	California Interscholastic Federation, Northern Section - 1
Associated Students California State University, San Bernardino - 3	California Interscholastic Federation, Sac-Joaquin Section - 4
Association of Bay Area Governments - 82	California Interscholastic Federation, San Diego Section - 8
Association of Monterey Bay Area Governments - 5	California Interscholastic Federation, Southern Section - 22
Atascadero Cemetery District - 6	California Interscholastic Federation, State Office - 14
Auburn Public Cemetery District - 11	California Joint Powers Insurance Authority - 30
Aztec Shops, Ltd. - 114	California Joint Powers Risk Management Authority - 5
Baldy Mesa Water District - 27	California Maritime Academy Foundation, Inc. - 0
Banning-Cabazon Cemetery District - 0	California Municipal Utilities Association - 6
Bardsdale Cemetery District - 1	California State and Federal Employees No. 20 Credit Union - 13
Bay Area Air Quality Management District - 473	California State University, Bakersfield, Foundation - 70
Bay Area Library and Information System - 2	California State University, Dominguez Hills, Foundation - 82
Bay Area Water Supply and Conservation Agency - 9	California State University, Fresno, Association, Inc. - 196
Beach Cities Health District - 52	California State University, Fresno, Athletic Corporation - 88
Bear Mountain Recreation and Park District - 5	California State University, Los Angeles, Auxiliary Service - 256
Beaumont District Library - 7	California State University, Los Angeles, USU Board - 22
Beaumont Public Cemetery District - 0	California State University, Long Beach, Foundation - 187
Beaumont-Cherry Valley Recreation and Park District - 1	California State University, Stanislaus Auxiliary and Business Services - 61
Beaumont-Cherry Valley Water District - 28	Calleguas Municipal Water District - 84
Bella Vista Water District - 33	Camarillo Health Care District - 23
Belvedere-Tiburon Joint Recreation - 1	Cambria Cemetery District - 2
Belvedere-Tiburon Library Agency - 10	Cambria Community Healthcare District - 7
Ben Lomond Fire Protection District - 2	

Health Benefits Program Data (continued)

Districts & Other Public Agencies

Cambria Community Services District - 57	Cottonwood Cemetery District - 2
Cameron Park Community Services District - 11	Cottonwood Fire Protection District - 3
Capistrano Bay Community Services District - 1	Crescent City Harbor District - 23
Capitol Area Development Authority - 48	Crestline Lake Arrowhead Water Agency - 14
Carmel Highlands Fire Protection District of Monterey County - 1	Crockett-Valona Sanitary District - 1
Carmel Regional Fire Ambulance Authority - 7	CSAC Excess Insurance Authority - 31
Carmel Valley Fire Protection District - 18	Cutler-Orosi Joint Powers Wastewater Authority - 0
Carpinteria Public Cemetery District - 2	Cuyama Valley Recreation District - 0
Castaic Lake Water Agency - 99	Cypress Recreation and Park District - 1
Castro Valley County Fire Protection District - 0	Dairy Council of California - 51
Castro Valley Sanitary District - 25	Davis Cemetery District - 3
Castroville Water District - 7	Deer Springs Fire Protection District - 2
Cayucos Sanitary District - 5	Del Norte County Library District - 5
Cayucos-Morro Bay Cemetery District - 2	Del Norte Healthcare District - 4
Central Contra Costa Transit Authority - 258	Del Paso Manor Water District - 5
Central Fire Protection District of Santa Cruz County - 92	Del Puerto Water District - 3
Central Marin Sanitation Agency - 50	Del Rey Community Services District - 6
Central Plumas Recreation and Park District - 3	Delta Vector Control District - 21
Central Sierra Child Support Agency - 33	Denair Community Services District - 4
Central Valley Regional Center, Inc. - 376	Desert Healthcare District - 16
Channel Islands Beach Community Services District - 6	Diamond Springs/El Dorado Fire Protection District - 32
Chester Fire Protection District - 7	Dixon Housing Authority - 0
Chester Public Utility District - 5	Dominguez Hills CSU Associated Students - 5
Chico Area Recreation and Park District - 32	Dominguez Hills CSU Associated Students, Child Development Center - 5
Chino Basin Watermaster - 5	Donald P. and Katherine B. Loker University Student Union, Inc. - 6
Chino Valley Independent Fire District - 122	Dougherty Regional Fire Authority - 15
Chowchilla Cemetery District - 5	Dublin San Ramon Services District - 132
Christian Valley Park Community Services District - 0	Dunnigan Water District - 3
Clear Creek Community Services District - 10	East Bay Dischargers Authority - 6
Clearlake Oaks County Water District - 0	East Bay Regional Park District - 73
Cloverdale Citrus Fair - 0	East Diablo Fire District - 49
Coachella Valley Association of Governments - 17	East Kern Airport District - 44
Coachella Valley Public Cemetery District - 8	East Palo Alto Sanitary District - 7
Coalinga-Huron Recreation and Park District - 9	East Quincy Services District - 5
Coastal Animal Services Authority - 11	East Valley Water District - 80
Coastal Developmental Services Foundation, DBA Westside Regional Center - 223	Eastern Municipal Water District - 658
Coastal Municipal Water District - 0	Eastern Plumas Health Care District - 229
Coastal San Luis Resource Conservation - 0	Eastern Sierra Community Services District - 6
Colusa County Superior Court - 16	Ebbetts Pass Fire Protection District - 27
Colusa Mosquito Abatement District - 5	El Camino Irrigation District - 8
Community College League of California - 16	El Dorado County Fire Protection District - 106
Compton Creek Mosquito Abatement District - 1	El Dorado County Transportation Commission - 6
Conejo Recreation and Park District - 96	El Dorado Hills Community Services District - 16
Consolidated Area Housing Authority of Sutter County - 36	El Dorado Hills County Water District - 57
Contra Costa County Law Library - 7	El Dorado Irrigation District - 362
Contra Costa County Schools Insurance Group - 29	Elk Grove Community Services District - 252
Contra Costa Fire Protection District - 651	Emeryville Redevelopment Agency - 0
Contra Costa Mosquito Vector Control District - 36	Encinitas Fire Protection District - 0
Contra Costa Special Ed Local Plan Area - 12	Encinitas Sanitary District - 1
Contra Costa Transportation Authority - 15	Esparto Community Services District - 4
Corning Water District - 4	Estero Municipal Improvement District - 240
Costa Mesa Sanitary District - 5	Fair Oaks Cemetery District - 6

Health Benefits Program Data (continued)

Districts & Other Public Agencies

Fair Oaks Fire District - 0	Hesperia Fire Protection District - 7
Fair Oaks Recreation and Park District - 21	Hesperia Recreation and Park District - 31
Fairfield-Suisun Sewer District - 21	Hidden Valley Lake Community Services District - 14
Fall River Mills Community Services District - 3	Hilton Creek Community Services District - 2
Fallbrook Healthcare District - 2	Housing Authority of the City of Eureka - 18
Feather River Air Quality Management District - 6	Housing Authority of the City of Los Angeles - 734
Feather Water District - 3	Housing Authority of the County of Santa Cruz - 72
Felton Fire Protection District - 3	Hub Cities Consortium - 26
Fern Valley Water District - 4	Humboldt County Association of Governments - 2
First Five of Mariposa County - 1	Humboldt County Superior Court - 95
Florin County Water District - 9	Humboldt No. 1 Fire Protection District of Humboldt County - 17
Foothill/Eastern Transportation Corridor Agency - 86	Humboldt State College University Center - 63
Forestville Fire Protection District - 6	Humboldt Transit Authority - 42
Fort Bragg Fire Protection Authority - 4	Idyllwild Fire Protection District - 15
Fort Ord Reuse Authority - 11	Indian Valley Community Services District - 6
Forty-Niner Fire Protection District - 0	Indian Valley Health Care District - 53
Fresno County Law Library - 6	Inland Empire Utilities Agency - 268
Fresno Irrigation District - 87	Inland Empire West Resource Conservation District - 1
Fresno-Madera Area Agency on Aging - 40	Intelecom Intelligent Telecommunications - 28
Fruitridge Fire Protection District - 3	Inverness Public Utility District - 7
Fullerton California State University, Associated Students - 65	Ironhouse Sanitary District - 41
Fulton El-Camino Recreation and Park District - 19	Irvine Ranch Water District - 344
Galt Fire Protection District - 43	Jamestown Sanitary District - 6
Galt-Arno Cemetery District - 2	JRS Napa County Superior Court - 2
Garden Valley Fire Protection District - 6	Judicial Council - 0
Georgetown Fire Protection District - 17	Jurupa Community Services District - 94
Gilsizer County Drainage District - 4	Kanawha Water District - 4
Glen Ellen Fire Protection District - 6	Kensington Community Services District - 22
Glenn County Mosquito and Vector Control District - 2	Kensington Fire Protection District - 10
Glenn County Superior Court - 19	Kentfield Fire Protection District - 24
Glenn-Colusa Irrigation District - 0	Kenwood Fire Protection District - 3
Gold Ridge Fire Protection District - 5	Kern County Council of Governments - 20
Golden Sierra Job Training Agency - 47	Kern County Housing Authority - 152
Goleta Cemetery District - 7	Kern County Law Library - 4
Goleta West Sanitary District - 13	Kern Regional Center - 184
Great Basin Unified Air Pollution Control District - 31	Kingsburg Cemetery District - 9
Greater Anaheim Special Education Local Plan Area - 20	Kirkwood Meadows Public Utility District - 13
Greater Los Angeles County Vector Control District - 61	Lake Don Pedro Community Services District - 12
Greater Vallejo Recreation District - 60	Lake Hemet Municipal Water District - 61
Green Valley County Water District - 2	Lake Valley Fire Protection District - 34
Gridley Biggs Cemetery District - 7	Lakeside Fire Protection District - 103
Grossmont Healthcare District - 13	Las Gallinas Valley Sanitary District of Marin County - 31
Grossmont Schools Federal Credit Union - 19	Lathrop-Manteca Fire Protection District - 37
Guerneville Fire Protection District - 0	Leucadia Wastewater District - 26
Half Moon Bay Fire Protection District - 71	Levee District No. 1 of Sutter County - 1
Hamilton Branch Fire Protection District - 2	Linda Fire Protection District - 12
Hamilton City Community Services District - 3	Linden-Peters Rural County Fire Protection District - 15
Harbor Developmental Disabilities Foundation - 230	Littlerock Creek Irrigation District - 6
Hayward California State University, Auxiliary Foundation, Inc. - 154	Live Oak Cemetery District - 2
Heartland Communications Facility Authority - 8	Livermore/Amador Valley Transit Authority - 14
Heritage Ranch Community Services District - 10	Local Agency Formation Commission of Monterey County - 3
Hesperia County Water District - 34	Local Agency Formation Commission of San Luis Obispo County - 2

Health Benefits Program Data (continued)

Districts & Other Public Agencies

Local Government Services Authority, a Joint Powers Authority - 14	Monterey-Salinas Transit - 216
Lompoc Cemetery District - 6	Moraga Fire Protection District - 0
Lompoc Healthcare District - 290	Moraga-Orinda Fire Protection District - 145
Long Beach State University, Associated Students - 57	Morongo Basin Transit Authority - 25
Long Beach State University, Forty-Niner Shops, Inc. - 96	Moss Landing Harbor District - 6
Los Angeles County Area 'E' Civil Defense and Disaster Board - 1	Mother Lode Job Training Agency - 24
Los Angeles County Housing Authority - 0	Mt. Diablo Health Care District - 3
Los Angeles County Law Library - 62	Mt. San Antonio College Auxiliary Services - 75
Los Angeles County Sanitation District No. 2 - 2,643	Mt. View Sanitary District of Contra Costa County - 16
Los Angeles County West Vector Control District - 42	Muir Beach Community Services District - 2
Los Angeles Memorial Coliseum Commission - 42	Murrieta County Water District - 20
Los Osos Community Services District - 24	Murrieta Fire Protection District - 47
Lower Tule River Irrigation District - 40	Napa County Mosquito Abatement District - 13
Lumberjack Enterprises, Inc. - 0	Napa County Superior Court - 54
Madera Cemetery District - 28	Napa Sanitation District - 75
Madera County Economic Development Commission - 0	Nevada Cemetery District - 3
Majestic Pines Community Services District - 2	Nevada County Superior Court - 57
Mammoth Lakes Fire District - 11	Nevada-Sierra Regional IHSS Public Authority - 8
Management of Emeryville Services Authority - 117	Newport Beach City Employees Federal Credit Union - 6
March Joint Powers Authority - 7	Nipomo Community Services District - 14
Mare Island Technology Academy - 49	North Bay Regional Center - 172
Marin County Housing Authority - 77	North Bay Schools Insurance Authority - 14
Marin County Sanitary District No. 1 - 25	North Coast Railroad Authority - 1
Marin Healthcare District - 0	North Coast Unified Air Quality Management District - 21
Marin Municipal Water District - 404	North County Fire Protection District of Monterey County - 48
Marinwood Community Services District - 32	North County Fire Protection District of San Diego County - 76
Maxwell Public Utility District - 4	North County Transit District - 481
Mayers Memorial Hospital District - 177	North Delta Water District - 0
McCloud Community Services District - 15	North Los Angeles County Regional Center, Inc. - 396
Meadow Vista County Water District - 6	North Marin Water District - 97
Mendocino Coast Hospital District - 286	North State Cooperative Library System - 10
Menlo Park Fire Protection District - 136	North Tahoe Fire Protection District - 54
Merced County Housing Authority - 61	Northern California Power Agency - 219
Mesa Consolidated Water District - 64	Northern California Special Districts Insurance Authority - 3
Metropolitan Cooperative Library System - 12	Northern Salinas Valley Mosquito Abatement District - 9
Metropolitan Transportation Commission - 182	Northern Sierra Air Quality Management District - 9
Metropolitan Water District of Southern California - 3,172	Northridge Water District - 0
Mid-Carmel Valley Fire Protection District - 12	Northridge, CSU, Associated Students - 42
Midpeninsula Regional Open Space District - 80	Northstar Community Services District - 33
Midway City Sanitary District - 52	Novato Sanitary District - 48
Midway Heights Water District - 2	Oak Hill Cemetery District - 3
Millville Masonic and Odd Fellows Cemetery District - 1	Oakland City Housing Authority - 394
Mission Valley Regional Occupational Center/Program - 39	Ocean Grove Charter School - 10
Mojave Desert Air Quality Management - 29	Ojai Valley Sanitary District - 25
Mojave Water Agency - 46	Olivehurst Public Utility District - 0
Monte Vista County Water District - 30	Ophir Hill Fire Protection District - 2
Montecito Fire Protection District - 78	Orange County Fire Authority - 351
Monterey Bay Unified Air Pollution Control District - 33	Orange County Vector Control District - 64
Monterey County Law Library - 1	Orinda Fire Protection District - 0
Monterey County Superior Court - 217	Orland Cemetery District - 0
Monterey County Water Resources Agency - 61	Oro Loma Sanitary District - 79
Monterey Peninsula Airport District - 52	Oroville Cemetery District - 9
Monterey Peninsula Regional Park District - 13	Oroville Mosquito Abatement District - 1

Health Benefits Program Data (continued)

Districts & Other Public Agencies

Oxnard Harbor District - 48	Redway Community Services District - 4
Pacific Fire Protection District - 14	Regional Council of Rural Counties - 30
Pajaro Valley Fire Protection Agency - 1	Regional Government Services Authority - 1
Pajaro Valley Public Cemetery District - 6	Regional Water Authority - 6
Palm Drive Health Care District - 150	Rescue Fire Protection District - 10
Palm Ranch Irrigation District - 5	Richardson Bay Sanitary District - 9
Palm Springs Cemetery District - 7	Rincon Del Diablo Municipal Water District - 34
Palo Verde Valley District Library - 1	Riverbank City Housing Authority - 2
Paradise Recreation and Park District - 16	Riverdale Public Utility District - 2
Paso Robles City Housing Authority - 16	Riverside County Air Pollution Control District - 0
Peardale Chicago Park Fire Protection District - 2	Riverside County Housing Authority - 3
Peninsula Library System - 24	Riverside County Superior Court - 2
Peninsula Traffic Congestion Relief Alliance - 9	Riverside County Transportation Commission - 41
Penryn Fire Protection District - 0	Riverside Transit Agency - 385
Pine Cove Water District - 4	Roseville Public Cemetery District - 10
Pinedale County Water District - 11	Ross Valley Fire Service - 54
Pioneer Cemetery District - 6	Rubidoux Community Services District - 2
Pixley Irrigation District - 13	Ruth Lake Community Services District - 1
Placer County Cemetery District No. 1 - 5	Sacramento Area Council of Governments - 58
Placer County Resource Conservation District - 2	Sacramento City Housing Authority - 463
Placer County Transportation Commission - 6	Sacramento County Fire Protection District - 0
Placer County Water Agency - 220	Sacramento County Public Law Library - 19
Planning and Service Area II Area Agency on Aging - 5	Sacramento Metropolitan Air Quality Management District - 69
Pleasant Valley Recreation and Park District - 35	Sacramento Metropolitan Cable Television Commission - 5
Plumas County Community Development Commission - 16	Sacramento Metropolitan Fire District - 1,117
Plumas Local Agency Formation Commission - 1	Sacramento Regional Fire/EMS Communications Center - 54
Point Montara Fire Protection District - 1	Sacramento Suburban Water District - 70
Pomerado Cemetery District - 6	Sacramento Transportation Authority - 2
Pomona, California State Polytechnic University, Associated Students, Inc. - 42	Salida Fire Protection District - 14
Port San Luis Harbor District - 26	Salinas Rural Fire District - 57
Princeton-Codora-Glenn Irrigation District - 4	Salinas Valley Solid Waste Authority - 16
Processing Strawberry Advisory Board - 4	Salton Community Services District - 32
Processing Tomato Advisory Board - 5	Samoa Peninsula Fire Protection District - 4
Provident Irrigation District - 7	San Andreas Regional Center, Inc. - 302
Public Agency Risk Sharing Authority of California - 5	San Andreas Sanitary District - 8
Public Entity Risk Management Authority - 4	San Benito County Water District - 18
Quincy Cemetery District - 1	San Bernardino County Housing Authority - 216
Quincy Community Services District - 5	San Bernardino County Law Library - 10
Rainbow Municipal Water District - 4	San Bernardino County Transportation Authority - 0
Ramona Cemetery District - 6	San Bernardino Economic Development Agency - 15
Rancho Cucamonga Fire Protection District - 138	San Bernardino, California State University, Foundation - 155
Rancho Murieta Community Services District - 46	San Bernardino, California State University, Student Union - 14
Rancho Simi Recreation and Park District - 90	San Diego Association of Governments - 185
Reclamation District No. 70 - 7	San Diego County Law Library - 46
Reclamation District No. 341 - 3	San Diego Metropolitan Transit Development Board - 102
Reclamation District No. 800 - 4	San Diego State University Associated Students - 23
Reclamation District No. 833 - 5	San Diego Trolley, Inc. - 376
Reclamation District No. 900 - 8	San Dieguito Water District - 27
Reclamation District No. 1000 - 19	San Elijo Joint Powers Authority - 17
Reclamation District No. 1001 - 17	San Francisco Bay Area Rapid Transit District - 4,603
Reclamation District No. 1601 - 3	San Francisco City and County Housing Authority - 287
Reclamation District No. 1660 - 1	San Francisco City and County Redevelopment Agency - 224
	San Francisco Community College District Bookstore Auxiliary - 21

Health Benefits Program Data (continued)

Districts & Other Public Agencies

San Francisco County Transportation Authority - 22	Sierra-Sacramento Valley Emergency Medical Services Agency - 7
San Gabriel Valley Mosquito and Vector Control District - 10	Siskiyou County Superior Court - 55
San Geronio Pass Water Agency - 6	Smith River Community Services District - 5
San Jacinto Valley Cemetery District - 15	Solano County Mosquito Abatement District - 4
San Joaquin County Housing Authority - 172	Solano County Superior Court - 222
San Joaquin County Mosquito and Vector Control District - 50	Solano County Water Agency - 7
San Joaquin Hills Transportation Corridor Agency - 0	Solano Transportation Authority - 18
San Jose State University, Foundation - 357	Sonoma State Enterprises, Inc. - 2
San Jose State University, Associated Students - 44	Sonoma Student Union Corporation - 12
San Juan Water District - 66	Soquel Creek Water District - 53
San Lorenzo Valley Water District - 22	South Bay Regional Public Communications Authority - 63
San Luis Obispo, Cal Poly, Associated Students, Inc. - 87	South Bayside System Authority - 81
San Luis Obispo Council of Governments - 8	South Coast Area Transit - 123
San Luis Obispo County Pension Trust - 3	South County Fire Protection Authority - 86
San Luis Obispo Regional Transit Authority - 6	South East Regional Reclamation Authority - 0
San Marcos Fire Protection District - 0	South Feather Water and Power Agency - 86
San Marcos, CSU, Foundation - 66	South Kern Cemetery District - 0
San Mateo County Resource Conservation District - 1	South Orange County Wastewater Authority - 71
San Mateo County Schools Insurance Group - 6	South Placer Fire District - 52
San Mateo County Transit District - 894	South Placer Municipal Utility District - 27
San Miguel Community Services District - 6	South San Luis Obispo County Sanitation District - 11
San Miguel Consolidated Fire Protection District - 154	Southeast Area Social Services Funding Authority - 18
San Pablo City Housing Authority - 2	Southern California Association of Governments - 148
San Ramon Valley Fire Protection District - 269	Southern California Public Power Authority - 7
San Simeon Community Services District - 1	Southern California Regional Rail Authority - 222
Sanitary District No. 5 of Marin County - 14	Southern Humboldt Community HealthCare District - 73
Santa Barbara Coastal Vector Control District - 6	Southern Inyo Healthcare District - 72
Santa Barbara County Association of Governments - 20	Southern San Joaquin Municipal Utility District - 29
Santa Barbara County Law Library - 4	Spartan Shops, Inc. - 144
Santa Clara County Health Authority - 125	Squaw Valley Public Service District - 24
Santa Clara County Law Library - 2	Stanislaus County Housing Authority - 130
Santa Cruz Consolidated Emergency Communications Center - 56	Stege Sanitary District - 10
Santa Cruz County Law Library - 1	Stinson Beach County Water District - 12
Santa Cruz County Superior Court - 165	Strawberry Recreation District - 6
Santa Cruz Local Agency Formation Commission - 3	State Assistance Fund for Energy, California Business, and Industrial Corporation - 10
Santa Cruz Metropolitan Transit District - 494	Student Union of San Jose State University - 33
Santa Fe Irrigation District - 74	Summit Cemetery District - 16
Santa Maria Public Airport District - 10	Superior Court of California County of San Luis Obispo - 135
Santa Paula City Housing Authority - 12	Susanville Consolidated Sanitary District - 12
Saratoga Fire Protection District - 37	Sutter Cemetery District - 10
Sausalito-Marín City Sanitary District - 13	Sweetwater Springs Water District - 14
School Personnel Credit Union - 13	Sylvan Cemetery District - 5
Schools Excess Liability Fund - 11	Tahoe City Fire Protection District - 0
Scotts Valley Water District - 26	Tahoe City Public Utility District - 57
Selma-Kingsburg-Fowler County Sanitation District - 39	Tahoe-Truckee Sanitation Agency - 77
Sewer Authority Mid-Coastside - 14	Temecula Public Cemetery District - 4
Shasta Area Safety Communications Agency - 47	Templeton Community Services District - 17
Shasta Community Services District - 0	Thermalito Irrigation District - 12
Shasta County Superior Court - 26	Three Arch Bay Community Services District - 1
Shasta Dam Area Public Utility District - 0	Trabuco Canyon Water District - 33
Shasta Mosquito and Vector Control District - 17	Tracy Rural County Fire Protection District - 3
Shasta Valley Cemetery District - 4	Transportation Agency for Monterey County - 13
Sierra Lakes County Water District - 10	

Health Benefits Program Data (continued)

Districts & Other Public Agencies

Truckee Fire Protection District - 51	Weaverville Sanitary District - 1
Tulare County Housing Authority - 51	West Bay Sanitary District - 34
Tulare Mosquito Abatement District - 6	West Cities Communication Center - 11
Tuolumne Regional Water District - 0	West Cities Communication Center Joint Powers Authority - 0
Tuolumne Utilities District - 94	West Contra Costa Healthcare District - 8
Turlock Mosquito Abatement District - 15	West Contra Costa Integrated Waste Management Authority - 7
Twain Harte Community Services District - 14	West County Wastewater District - 61
Twin Cities Police Authority - 69	West Plainfield Fire Protection District - 0
Ukiah Valley Fire District - 7	Western Canal Water District - 10
Union Sanitary District - 201	Western Riverside Council of Governments - 24
United Water Conservation District - 54	Westlands Water District - 156
University Corporation - 133	Wildomar Cemetery District - 4
Upland City Housing Authority - 29	Willow Creek Community Services District - 4
Vallejo Sanitation and Flood Control District - 124	Willow Oak Fire District - 0
Valley County Water District - 51	Willows Cemetery District - 3
Valley Mountain Regional Center, Inc. - 272	Wilton Fire Protection District - 1
Valley of the Moon Fire District - 25	Winterhaven Water District - 2
Valley of the Moon Water District - 14	Winters Cemetery District - 3
Valley Preparatory Academy, Inc. - 0	Winters Fire Protection District - 5
Valley Sanitary District - 17	Woodlake Fire District - 3
Valley-Wide Recreation and Park District - 23	Woodside Fire Protection District - 80
Ventura County Law Library - 5	Yolo County Communications Emergency Services Agency - 41
Ventura County Transportation Commission - 20	Yolo County Housing Authority - 52
Ventura Port District - 32	Yolo County In-Home Supportive Services Public Authority - 7
Ventura Regional Sanitation District - 67	Yolo County Public Agency Risk Management Insurance Authority - 8
Veterans Home of California Post Fund - 16	Yolo County Superior Courts - 98
Victor Valley Wastewater Reclamation Authority - 39	Yolo County Transit Authority - 0
Victor Valley Water District - 106	Yolo County Transportation District - 9
Walton Fire Protection District - 0	Yolo-Solano Air Quality Management District - 34
Water Facilities Authority - 5	Yuba County Water Agency - 34
Weaverville Community Services District - 9	Yuba Sutter Transit Authority - 2
Weaverville Fire Protection District - 1	

Total - 692

School Districts

Acalanes Union High School District - 630	Compton Unified School District - 2,070
Alameda City Unified School District - 1,006	Connecting Waters - 53
Albany City Unified School District - 424	County School Service - Alameda County Schools - 240
Alta-Dutch Flat Union Elementary School District - 14	County School Service - Contra Costa County Schools - 704
Aurora High - 0	County School Service - Napa County Schools - 184
Berryessa Union Elementary School District - 886	County School Service - Sacramento County Schools - 727
Bonita Unified School District - 644	County School Service - San Mateo County Schools - 762
Brisbane Elementary School District - 85	County School Service - Stanislaus County Schools - 476
Burbank Unified School District - 615	Culver City Unified School District - 777
Burlingame Elementary School District - 223	Davis Joint Unified School District - 595
Campbell Union Elementary School District - 763	Duarte Unified School District - 406
Campbell Union High School District - 811	Dublin Unified School District - 257
Castaic Union Elementary School District - 230	El Camino Community College District - 1,083
Centinela Valley Union High School District - 1,014	El Dorado Union High School District - 45
Cerritos Community College District - 963	Empire Union Elementary School District - 374
Charter Learning Center - 8	Fairfield-Suisun Unified School District - 1,781
Chatom Union Elementary School District - 20	Fillmore Unified School District - 408

Health Benefits Program Data (continued)

School Districts

Fremont Unified School District - 2,244	Palos Verdes Peninsula Unified School District - 1,276
Fremont Union High School District - 62	Paradise Elementary School District - 17
Garfield Charter School - 56	Pittsburg Unified School District - 969
Gavilan Joint Community College District - 260	Pope Valley Union Elementary School District - 6
Hayward Unified School District - 1,753	Ravenswood City Elementary School District - 480
Hillsborough City School District - 139	Redwood City Elementary School District - 1,068
Holtville Unified School District - 3	Reed Union Elementary School District - 160
Howell Mountain Elementary School District - 11	Rio Hondo Community College District - 729
John Swett Unified School District - 173	Riverbank Unified School District - 287
Knights Ferry Elementary School District - 9	Riverside County Schools - County Superintendent of Schools Office - 2,033
Knightsen School District - 31	Ross Elementary School District - 63
La Grange Elementary School District - 6	Ross Valley Elementary School District - 216
Las Lomas Elementary School District - 138	Sacramento City Unified School District - 3,616
Las Virgenes Unified School District - 1,056	San Bruno Park Elementary School District - 309
Liberty Union High School District - 439	San Carlos Elementary School District - 207
Little Lake City Elementary School District - 462	San Mateo County Community College District - 1,536
Los Altos Elementary School District - 536	San Mateo-Foster City School District - 1,041
Los Nietos Elementary School District - 222	San Rafael City Elementary School District - 349
Lowell Joint Elementary School District - 284	San Rafael City High School District - 318
Martinez Unified School District - 441	Santa Monica Community College District - 1,114
Menlo Park City Elementary School District - 312	Santa Monica-Malibu Unified School District - 1,627
Mill Valley Elementary School District - 251	Saugus Union Elementary School District - 652
Millbrae Elementary School District - 236	Sequoia Union High School District - 1,249
Monterey Peninsula Unified School District - 1,684	South Pasadena Unified School District - 429
Moreland Elementary School District - 416	South San Francisco Unified School District - 1,192
Morgan Hill Unified School District - 720	South Sutter Charter School - 7
Mountain House Elementary School District - 1	South Whittier School District - 414
Mt. Diablo Unified School District - 3,556	Temple City Unified School District - 303
Mt. Pleasant Elementary School District - 212	Turlock Joint Elementary School District - 0
Mt. San Antonio Community College District - 1,356	Turlock Joint Unified School District - 731
Napa Community College District - 431	Turlock Joint Union High School District - 0
Napa Valley Unified School District - 1,556	Union Elementary School District - 408
Natomas Unified School District - 373	Vacaville Unified School District - 679
Newark Unified School District - 297	Valle Lindo Elementary School District - 102
Newman-Crows Landing Unified School District - 212	Vallejo City Unified School District - 1,940
North Monterey County Unified School District - 512	West Contra Costa Unified School District - 4,928
North Orange County Community College District - 2,171	Whittier City Elementary School District - 645
Ohlone Community College District - 405	William S. Hart Union High School District - 1,841
Ophir Elementary School District - 0	Wisburn Elementary School District - 175
Orinda Union School District - 305	
Pacifica School District - 409	
	Total - 114

Deferred Compensation Program Data

By saving for the future, CalPERS members can face the road to retirement with confidence. CalPERS helps by providing an important tool to meet future needs — the CalPERS 457 Deferred Compensation Program. As of June 30, 2006, this program was adopted by 567 public agencies compared to 524 last year.

During fiscal year 2005-06, membership grew to 21,542, up from 19,455. Assets increased from \$442.8 million to \$540.3 million, as a result of \$97 million in contributions and transfers, investment gains of \$36 million, and distributions and withdrawals paid to participants of \$35.5 million.

Designed with high standards of quality and service, the CalPERS 457 Deferred Compensation Program is a way to defer a portion of pre-tax salary into investments of an individual's own choosing. It is a deferred compensation program that allows both the amount deferred, and the amount earned on the investment, to be protected from income tax until the money is taken out during retirement. The program complements the retirement benefit plans offered by CalPERS.

State law enacted in 1990 allowed CalPERS to make the deferred compensation program available to all California public agencies. This includes counties, cities, special districts, and school districts. The CalPERS 457 Deferred Compensation Program meets all federal requirements of eligible deferred compensation plans organized under the Internal Revenue Code.

The program offers participants 14 investment options. Eight separate core funds have been created specifically for this program, or participants can choose from three lifestyle options that automatically invest their money in a conservative, moderate, or aggressive investment mix of core funds. All of these funds are managed by CalPERS staff and its professional investment managers, according to strict investment objectives and performance standards set by the CalPERS Board of Administration. In addition to the core funds and lifestyle funds, participants are offered options to invest in federally-insured bank certificates of deposit, an Insured Money Market Account, or through a discount brokerage service that lets them select from more than 4,000 retail mutual funds through a self-managed account.

Participating Public Agency Summary

Counties	18
Cities	89
Community Services Districts	22
Police & Fire Protection Districts	41
Health Agencies	5
Housing Authorities	9
Insurance Groups	11
Irrigation/Reclamation Districts	10
Libraries	13
School Districts	123
Water Districts	64
Other Districts	93
Other Public Agencies	69
Total	567

The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The assets are held in trust by the Board for the exclusive benefit of participating employees, which adds security.

The program delivers its investments and services at low cost through a simple fee structure. There are no hidden costs or restrictions on investments. Total fees for administration and investment management of the core funds are less than 1 percent, half of what other programs typically charge. By paying less in fees, participants are able to invest more and earn returns building up their account over time.

Deferred compensation programs provide an immediate tax break and the advantage of the full earning power of the investor's money. Because earnings automatically reinvest tax free, the savings potential grows significantly over time. The CalPERS 457 Deferred Compensation Program offers valuable trust protection public agency employees can count on to secure their retirement savings.

The financial statements for this program are in this report as part of the Financial Section and the accompanying notes and schedules.

Long-Term Care Program Data

The CalPERS Long-Term Care (LTC) Program provides financial protection to members from the high cost of extended personal care that may be caused by illness, injury, or the frailty of old age. Six out of every 10 people over the age of 65 will need long-term care during their lifetimes. Unfortunately, these types of personal care services are not covered by traditional health insurance or Medicare.

The CalPERS LTC Program is a self-funded, not-for-profit, member-paid program that continues to add members seeking these invaluable personal services coverage. During the fiscal year 2005-06, membership remained stable at approximately 174,000 and annual premiums were more than \$244 million for the same period. Additionally, the

Program's reserve grew to approximately \$1.78 billion and approximately \$78 million in benefits were paid on behalf of members, bringing the total benefits paid since the Program's inception in 1995 to approximately \$304.6 million.

Our LTC Program continues to be the largest and most respected long-term care program of its kind in the nation. Entering its 11th year, the CalPERS Long-Term Care Program is devoted to providing the best long-term care coverage with affordable premiums.

The financial statements for this program are in the report as part of the Financial Section and the accompanying notes and spreadsheets.

We are CalPERS

CalPERS staff featured in the 2006 Comprehensive Annual Financial Report

(photos clockwise from top left of each page)

Cover

Judy Allen, Jasbeen Singh, Jamila Ponnley, Derek Chan
Rick Bartos
Aubrey Cannon, Rose Ulrich, Janice Matsumoto,
Edward Barraza, LaTrenia Minnifield, Cathy Van

Introductory Section, Page 1

Cathy Dubets
Lori Gregg, Debi Borbon, Linda Parsons
Mark Werner
Don Jarrell, Jamila Ponnley, Julie Okimura, Denise Clemens

Financial Section, Page 7

Carlous Johnson
Ric Takahashi, Hillary Sunada
Krista Somers
Kela Richardson

Investment Section, Page 75

Joseph Jackson, Rodney Robinson, Debra Kronick-York, Jordan Edholm,
Sylvia Jackson
Ray Jacobs, Ric Takahashi, Kela Richardson
Edward Barraza, Cathy Van, Rose Ulrich, Aubrey Cannon, Janice Matsumoto,
LaTrenia Minnifield, Bret Grosso
Angela Vance-Jordon, Derek Chan

Actuarial Section, Page 91

Cathy Van
Mary Fields
Rick Bartos
Milly Romero-Salas
Christopher Gray, Marina Kong, Kevin Winter

Statistical Section, Page 123

Gilda Carpenter
Mercedes Ray
Bret Grosso
Rod Wilkinson



California Public Employees' Retirement System

Lincoln Plaza

400 Q Street

P.O. Box 942701

Sacramento, CA 94229-2701

(916) 795-3991

Telecommunications Device for the Deaf

(916) 795-3240

FAX: (916) 795-3507

www.calpers.ca.gov



Printed on recycled paper.